

**EVALUATING THE IMPACT OF NEW PUBLIC MANAGEMENT (NPM) REFORMS IN GHANA: THE PRIVATISATION OF WATER**

**BY**

**PHILIP ADU BOAHEN**

**A Thesis submitted for the degree of Doctor of Philosophy**

**Management School**

**University of Sheffield**

**May, 2016**

**DECLARATION**

I hereby declare that except for the references in the text and bibliography, which have been duly acknowledged this thesis is the result of my own work towards Doctor of Philosophy (PhD) in Management degree. It has never been submitted anywhere either in part or wholly for the award of any degree.

**DEDICATION**

This doctoral dissertation is dedicated to my entire family members, and particularly my mother Akosua Adomah, elder brother Joseph Opoku, Sandra Adu-Boahen my lovely wife, and Eugene, Nathania, Kevin and Daniel Adu-Boahen.

**TABLE OF CONTENTS**

Declaration **i**

Dedicationii

Table of contentsiii

Acknowledgementsix

List of tablesx

List of figuresxi

Abbbreviations and acronyms xii

Abstract xiv

**Chapter One: Introduction** 1

1.1. NPM: origins, controversies and inconsistencies 3

1.2. Political economy of Ghana before NPM 5

1.3. NPM in Ghana and water provision 6

1.4. Aim and objectives 9

1.5. Methodology 10

1.6. Scope of research 12

1.7. Significance of study 13

1.8. Outline of thesis 14

**Chapter Two: New Public Management, Public Choice Theory and Privatisation**16

2.1. Public choice theory 17

2.1.1. Rationale for, and development of public choice theory17

2.1.2**.** Key proposition and assumptions of public choice theory 24

2.1.3. Critiques of public choice theory 27

2.2. New public management 29

2.2.1. Explanations for differences in the form of NPM used 31

2.2.2. Variations in the implementation of NPM reforms in different country context 34

2.2.3. NPM and comparative capitalism in developing countries 38

2.3. Economic performance and impact of NPM on different stakeholders 40

2.3.1. Economic performance 41

2.3.2. Managerialism and its impacts on public sector employees 42

2.3.3. NPM and service users 46

2.3.4. The relationship between new public management, neo-liberalism and marketization …47

2.4. Rationale for privatisation 50

2.4.1. Why are services privatised? 51

2.4.2. Forms of privatisation 53

2.4.3. Rationale for the growth in public-private partnerships 58

2.4.4. Operationalising public-private partnerships 60

2.4.5. Critical success factors: trust, control and power in partnerships62

2.4.6. Communication and consultation67

2.5. Criticisms of privatisation 72

2.5.1. Water: a natural monopoly?72

2.5.2. An economic good or a public good?73

2.5.3. Human rights for service users 75

2.5.4. Examples of water privatisation in emerging and transitional economies76

**Chapter Three: The Historical, Socio-Economic and Political Context, Public**

**Sector Management, and Formal and Informal Institutions in Ghana** 82

3.1. The political economy of Ghana 83

3.1.1. Colonial and pre-colonial era83

3.1.2. Post-independence: key economic features 87

3.1.3. Post-independence political struggles88

3.1.4. Institutional foundations for Ghana’s relative stability in the region 91

3.2. Public sector management in Ghana 94

3.3. Public sector management in Ghana: the role of formal and informal institutions100

3.3.1. Colonial legacies and post-colonial influences on Ghana100

3.3.2. The influence of international institutions on the Ghanaian public sector102

3.3.3. Centralisation of public sector orgnisations 104

3.3.4. Informal institutions 105

3.3.5. Western versus Asian influences on management107

3.3.6. Corruption and mismanagement110

**Chapter Four: NPM and water privatisation in Ghana**112

4.1. NPM in Ghana 112

4.2. Privatisation in Ghana 114

4.2.1. Economic performance115

4.3. Privatisation of water in Ghana116

4.3.1. Events leading to Ghana water privatisation117

4.3.2. Problems associated with WaterOrg121

4.3.3. Opposition to water privatisation in Ghana from civil society 128

4.3.4. The situation since 2006 131

**Chapter Five: Research Methodology**134

5.1. Philosophical position 136

5.2. Qualitative research139

5.3. Case study research strategy142

5.4. Data collection methods 144

5.4.1. Personal interviews147

5.4.2. Documentary evidence 149

5.4.3. Non-participant observation150

5.4.4. Sample selection 152

5.4.5. Triangulation of data 157

5.5. Research limitations159

5.6. Data analysis 161

5.7. Ethical considerations 165

**Chapter Six: Findings on Water Privatisation in Ghana**168

6.1. Rationale for privatisation170

6.1.1. Lack of investment171

6.1.2. Corruption and traditional work practices173

6.1.3. Favouritism and nepotism177

6.1.4. Political interference179

6.1.5. Management weaknesses181

6.1.6. Work culture183

6.2. Consultation with stakeholders185

6.2.1. Consultation with government departments and institutions186

6.2.2. Employee consultation189

6.2.3. Public consultation192

6.3. Factors affecting the relationship between partners in the PPP198

6.3.1. Financial benefits to the WaterOrg, PrivateCo and private sector firms198

6.3.2. Income generation200

6.3.3. Management practices202

6.4. Under estimation of the water supply problems due to contract design204

6.4.1. Contractual weaknesses and interpretations 205

6.4.2. Disagreements leading to breakdown in communication 210

6.5. Impact on employees211

6.5.1. Pay212

6.5.2. Training 214

6.5.3. Recruitment and promotion216

6.5.3.1. ‘Engineering is the new priority’ 221

6.5.3.2. Promotions due to restructuring 222

6.5.3.3. Promotions – qualities valued224

6.5.4. Work environment226

6.5.5. Working time229

6.5.6. Employee performance appraisal229

6.5.6.1. Performance targets 233

6.5.6.2. Performance management and discipline of seconded staff234

6.5.6.3. Performance management and reasons for lack of co-operation237

6.5.7. Promotion of inexperience staff to senior management roles239

6.5.8. Job transfers and job cuts243

6.6. Impact on consumers247

6.6.1. Installation of meter leading to more accurate measurement of water use 248

6.6.2. Additional payment outlets250

6.6.3. Call centres leading to improved customer service252

6.6.4. Increased tariffs254

6.6.5. Payment not being credited to customer accounts256

6.6.6. Inadequate water delivery257

6.6.6.1. Pro-poor project of water delivery 264

**Chapter Seven: Discussion of Research Findings**267

7.1. Partnerships, opportunism and conflicting priorities268

7.2. Level and nature of communication and consultation270

7.3. Beneficiaries of privatisation279

7.3.1. Impacts on service users279

7.3.2. Impacts on employees 283

7.4. Multiple stakeholder impact evaluation292

7.4.1. NPM in Ghana: political interference, corruption and socio-cultural issues294

7.4.2. Overview: privatisation in a developing country297

**Chapter Eight: Conclusion, Contributions to Knowledge and Implications for**

**Policy and Practice**301

8.1. Reflections on methodological approach used303

8.2. Research context305

8.2.1 Political economy of Ghana before privatisation307

8.2.2. Formal and informal institutions in Ghana308

8.3. Overview of key research findings 310

8.4. Contributions to knowledge312

8.5. Implications for policy and practice 321

8.6. Recommendations for future research327

Bibliography 330

Appendix A: Participants consent form373

Appendix B: Participants information sheet-observation374

Appendix C: Participants information sheet375

Appendix D: Interview questions for various participants groups376

Appendix E: One sample interview 379

Appendix F: List of interviewees and their respective roles 383

**ACKNOWLEDGEMENT**

This Ph.D. dream would not have been possible without the support and encouragement of various people over the last few years. Many people have contributed toward my journey, but here I will just mention some of them.

First, I would like to acknowledge the support of my supervisors, and particularly my director of studies, Professor Pauline Dibben, for seeing my potential and granting me the opportunity to become her student. Professor Pauline did not only provide academic advice, constructive criticism and direction but also personal advice throughout my studies. I am also grateful to Dr. Emanuel Gomes, who is now an associate professor at Birmingham University, Dr. Shlomo Tarba and Dr. Juliana Meira for their guidance and valuable suggestions throughout the Ph.D. journey. Although Emanuel and Shlomo moved to other universities, they continued to remain in my supervisory team and provided valuable support.

I would also like to express my sincere appreciation to Sheffield University Management School for contributing toward the expenses required for my field trip (airline ticket) to Ghana.

Many thanks also go to various institutions and individuals in Ghana who contributed in diverse ways to make this Ph.D. project become a reality. In this regard, I am particularly indebted to the management of the WaterOrg for granting me access to conduct this case study research. I am thankful to Rev. Canon S. L. Lamptey, Michael Agyeman (retired) and Abraham Adjei-Kwarteng, all of WaterOrg.

Finally, I would like to thank some people who are personally close to me, including my elder brother Joseph Opoku for his role and assistance in my educational journey that has culminated in this thesis. I would also like to thank my wife and the children for their support, understanding, and patience throughout my studies. Lastly, I would like to thank Kwaku Amponsah from my previous course/class in the University of Ghana, Legon for his assistance, moral and personal support throughout the studies, and particularly during my fieldwork in Ghana. Kwaku, I say thank you, you are a friend and a brother indeed.

**LIST OF TABLES**

Table 2.1. Selected public choice theorists and key arguments 23

Table 3.1. Political developments in Ghana since colonialism90

Table 3.2. Divestiture of former state-owned enterprises115

Table 5.1. Number of respondents and the sampling techniques used for this research 153

Table 5.2. Composition of interviews across stakeholders157

Table 6.1. Stakeholders consulted, when, what they were consulted on and the outcome

of the consultation 186

**LIST OF FIGURES**

Figure 2.1. Public-private partnership and sources of control, funding and ownership57

Figure 2.2. Stages and levels of PPP projects 61

Figure 2.3. Critical success factors underpinning public-private partnership 63

Figure 4.1. Units for urban water privatisation in Ghana 119

Figure 4.2. Events leading to private sector participation (PSP) at WaterOrg 127

Figure 5.1. Linking research objectives, questions and methods 145

Figure 5.2. A framework of the research process 164

Figure 6.1. Key aspects of water privatisation in Ghana170

Figure 6.2. Rationale for privatisation of the WaterOrg 171

Figure 6.3. Key themes on impact of the management contract on employees of the

WaterOrg 212

Figure 6.4. The outcomes of the management contract for service users 248

Figure 6.5. A photograph of a bolehole 262

Figure 6.6. A photograph of a reservoir containing the underground water 262

Figure 7.1. How different stakeholders might perceive the outcomes of water

privatisation in Ghana 293

ABBREVIATIONS AND ACRONYMS

ATMA Accra / Tema Regional Office

AFRC Armed Forces Revolutionary Council

BOOT Build, Own, Operate and Transfer

CONIWAS Coalition of Non-Governmental Organisation for Water and Sanitation

CMB Cocoa Marketing Board

CYO Committee on Youth Organisation

CPP Convention People’s Party

DFID Department for International Development

DIC Divestiture Implementation Committee

ERP Economic Recovery Programme

GWSC Ghana Water and Sewerage Corporation

GBE Government Business Enterprises

GDP Gross Domestic Product

ISODEC Integrated Social Development Centre

IDA International Development Association

IMF International Monetary Fund

MNC Multinational Company

NACAP National Coalition against Privatisation of Water

NDC National Democratic Convention

NLC National Liberation Council

NLM National Liberation Movement

NRC National Redemption Council

NPP New Patriotic Party

NPM New Public Management

NGO Non-Governmental Organisation

OFY Operation Feed Yourself

OECD Organisation for Economic Co-operation and Development

PNP People National Party

PSP Private Sector Participation

PP Progress Party

PNDC Provisional National Defence Council

PCT Public Choice Theory

PPP Public-Private Partnership

PURC Public Utility Regulatory Commission

SOE State Owned Enterprises

SMC Supreme Military Council

UGCC United Gold Coast Convention

UK United Kingdom

UN United Nations

UNESCO United Nations Educational, Scientific and Cultural Organisation

UNDP United Nations Development Programme

UNHCR United Nations High Commissioner for Refugees

USA United States of America

VFM Value for money

VoC Varieties of Capitalism

WSRS Water Sector Restructuring Secretariat

WSRP Water Sector Rehabilitation Project

WB World Bank

ABSTRACT

New public management (NPM) reforms have been promoted into the public administration domain during the past twenty to thirty years amidst growing concerns about performance problems in public sector organisations. NPM was based on the assumption that market principles could address performance problems in public institutions. Critics, though, cautioned against NPM reforms and pointed particularly toward their negative effects on employees and consumers. Although NPM was originally conceived in the OECD countries in the west to address specific socio-economic challenges such as unemployment and benefit crises, its principles have spread across countries in developed and emerging economies of the Sub-Saharan African region, including Ghana. In Ghana, NPM reforms have been carried out across a wide range of public sector organisations, and have included the privatisation (public-private partnership) of the Ghanaian WaterOrg in the form of a management contract.

This study aims to draw on institutionalist and culturalist accounts to explain the impact of New Public Management(NPM) reforms on a range of stakeholders in the African context through case study research in the Ghanaian water sector. To achieve this overall aim, its key objectives are to:

* Critically evaluate the intellectual origins and assumptions of NPM, and consider its applicability to the Sub-Saharan African context;
* Identify the main reasons and counter arguments for using NPM reforms in the Ghanaian water sector, including those associated with post-colonialism, socio-economic and culturalist accounts;
* Explore the extent of implementation of NPM reforms in the WaterOrg, including the use of privatisation and public-private partnerships and the forms of consultation used;
* Identify and describe the critical success factors for a range of stakeholders (including employees and consumers) and then evaluate and explain the extent to which they have been achieved;
* Assess the potential transferability of this study’s findings to other social contexts; and
* Consider the potential implications of the study’s findings for effective public management in the case study organisation and other public sector organisations in Sub-Saharan Africa.

This research takes a neo-empiricist approach and utilises methods associated with qualitative research such as semi-structured interviews, observation and documentary materials to explore the rationale for privatising the Ghanaian WaterOrg. It also critically evaluates the process of implementation of the management contract, and its potential implications for employees of the WaterOrg and users of public services.

This research reveals that privatisation did not achieve its prime objective of improving water accessibility for the vast majority of Ghanaian members of the public. This was primarily because of a complex range of inter-related institutional, socio-cultural and political factors that underpinned the management of the Ghanaian water sector. The PrivateCo’s management approach was also perceived to be divisive and favoured some employees (junior officers) over their senior counterparts on a range of issues. This was because the PrivateCo’s management team lacked a proper understanding of the Ghanaian culture which was a reflection of the management structure of the WaterOrg. There were, however, some improvements in ‘non-critical’ areas, including information technology through computerisation and customer services, particularly in terms of complaint reporting and payment of bills.

This study thus reinforces the argument that understanding the socio-cultural context is fundamental for effective public management reforms, particularly in emerging economies, rather than adhering to principles that are based on theoretical assumptions and or universal claims of ‘what works well’. It thus calls for caution and a thorough review of how policies and programmes designed to address specific issues in the west are transferred to emerging and developing economies that have problems with capacity and weak institutional arrangements.

**Chapter One**

###### Introduction

In recent years, public management policies have come under increasing pressure from New Public Management (NPM) reforms. NPM, in simple terms, implies the adopting of private sector management approaches and techniques in public institutions in order to improve their performance (Hood, 1991).

The primary reason for the surge in NPM reforms has centred on the assumption that public sector performance problems will be removed or ameliorated if the principles inherent in NPM are applied. These prescriptions have been underpinned by the ideological discourse informed by public choice theory (Harris and Seldon, 1987; Lane, 2000; van den Berg, 2004) often found in political narratives, particularly in the UK and other Western countries (Farnham and Horton, 1993; Lane, 2000; Greenwood et al., 2002; Jackson, 2003; Eliassen and Sitter, 2008). But NPM reforms have not only been carried out in these countries. Indeed, NPM reforms have been implemented in a wide range of socio-economic contexts in most developed and emerging economies (Vining and Weimer, 2005), including countries within Africa (Sharma, 2007; Vyas-Doorgapersad, 2011; Ayee, 2012; Chipkin and Lipietzi, 2012). For instance, NPM reforms including privatisation, decentralisation and outsourcing have been carried out across a range of public institutions in Southern Mediterranean countries, such as Turkey, Jordan, Egypt and Tunisia (UNDP, 2011; Bergh, 2012; Pace and Cavatorta, 2012). In Tunisia, the effect of decentralisation on local service delivery is believed to have triggered the recent Arab uprising (Bergh, 2012; Pace and Cavatorta, 2012). The influence of NPM reforms in public management in East Asia (Chana, 2012; Cheung, 2012; Su and Walker et al., 2013), South America (Clifton and Díaz-Fuentes, 2014; Undurraga, 2015) and some African countries (Kitonsa and Schwartz, 2012; Burke, 2012; Narsiah, 2013) are also well documented.

Proponents of NPM reforms have advocated their use due to the stated aims of efficiency and effectiveness (Vining and Weimer, 2005; Ferlie et al., 2005; Eliassen and Sitter, 2008). However, concerns have been raised about the extent of implementation and the intended and unintended consequences of each approach. Thus, NPMreforms have been associated with controversies, ambiguities and inconsistencies, most of which relate to users (consumers) of public services and employees in the public sector (Lane, 2000; Dibben et al., 2004; Ferlie and Geraghty, 2005; Pratt et al., 2007; Eliassen and Sitter, 2008). For instance, proponents of NPM reforms argue that its principles can improve performance problems in public institutions irrespective of the context (Christensen and Laegreid, 2007, 2013; Hood and Dixon, 2013). Critics, on the other hand, argue that private management principles cause problems including divisions in society (Barry, 2007; Eliassen and Sitter, 2008; Warnera, 2013). Empirical evidence also suggests that there have been variations in the impact of NPM reforms across the pioneering countries (Bach and Bordogna, 2013; Bach and Givan, 2013; Ibsen et al., 2013). It is in the context of these contrasting perspectives that this research evaluates the impact of the Ghanaian water privatisation on consumers and employees of the WaterOrg.

In Ghana, different models of NPM reforms have been implemented across a wide range of public sector organisations. This research focuses on the use of privatisation and public-private partnerships in Ghana, and in particular within the publicly owned WaterOrg. This institution was chosen since it is central to public concerns about privatisation and its implications on Ghanaians, particularly in rural and sub-urban poor communities. In the context of Ghana, this topic is very important for three main reasons. Firstly, Ghana was among the first countries in Sub-Saharan Africa to embrace NPM principles (Haruna and Kannae, 2013). Secondly, recent research on NPM reforms in Africa which examines the impact on both employees and consumers is virtually non-existent. Although debates on NPM have been running for a number of years, there is continued use of such reforms, and with a few notable exceptions (see for example, Bond, 2004; Bond and Dugard, 2008; Crook, 2010; Sulle, 2010; Vyas-Doorgapersad, 2011) a lack of recent evidence on the effects of them in Sub-Saharan Africa. Thirdly, the WaterOrg where privatisation and public-private partnership was carried out is the only provider of essential piped borne water to the majority of Ghanaians. The fact that Ghana faces a wide range of socio-economic challenges, some of which are water-related, such as guinea worm infections, makes this topic one of national importance.

This introductory chapter covers in turn, a brief summary of NPM, its origins, controversies, and inconsistencies; NPM in Ghana; the aim and objectives of the research; an overview of the research methodology and methods used; the significance of the research; and finally an outline of the structure of this thesis.

* 1. **NPM: origins, controversies and inconsistencies**

NPM implies the integration of private sector management values and practices into public sector organisations to improve their effectiveness (Polidano, 1999; Hope, 2002). It draws on Public Choice Theory (PCT), which involves the use and application of economic principles to the study of politics and public institutions (Corbett, 1996; Tullock et al., 2000). The overall objective of public choice theory was to reduce the size of the state, which was assumed to be too large, and to allow the private (market) sector more control over the economy (Friedman, 1962; Niskanen, 1973; Lane, 1997). Most authors argue that public choice theory provided the intellectual underpinning for the emergence of NPM reforms into the public domain (Harris and Seldon, 1987; Lane, 2000; van den Berg, 2004; Bach and Bordogna, 2013). The private sector management values that should arguably be introduced include those such as efficiency, while practices focus on performance measurement, contracting out, and various forms of privatisation, including public-private partnerships. NPM also implies competition within or among public services providers and also with private profit-seeking firms and non-profit institutions for the provision of public services (Ancoin, 1990; Hoggett, 1991; Hood, 1991; Eliassen and Sitter, 2008).

NPM was originally conceived in the OECD countries in the West - countries whose culture and social processes have been underpinned by European civilisation - (Eliassen and Sitter, 2008), and it was originally anticipated that there would be a global convergence of NPM reforms (Christensen and Laegreid, 2007). This assumption has been challenged. In addition, there are variations in the style and extent of implementation across countries (Ibsen et al., 2013). Thus, each country has adopted NPM reforms to reflect national institutional requirements and arrangements (Bach and Bordogna, 2013; see also Bach and Givan, 2013).

NPM reforms were based on certain core assumptions or propositions including the assumption of increased efficiency, through better management of public budgets (Nutley and Osborne, 1994, see also Hope, 2002; Ferlie et al., 2005). This was to be achieved through identification of explicit standards and measures of performance (Verbeeten and Speklé, 2015), applying greater competition, internal trading such as separating service providers from purchasers and emphasising performance incentives and leadership (Ancoin, 1990; Hood, 1991; Stewart and Walsh, 1992; Dibben et al., 2004; Eliassen and Sitter, 2008). Others include increasing managerial control (Dibben et al., 2004; O’Reilly and Reed 2011; Eymeri-Douzans and Pierre, 2011; Preston, 2012) and providing users / consumers with choices and flexibility to enable them to switch between alternative service providers (Osborne and Nutley, 1994; Sanderson, 2001; Boyne and Farrell, 2003; Eliassen and Sitter, 2008). Thus, the overall assumption of NPM was that public sector performance problems would improve if private sector management practices and techniques were integrated into public organisations.

The presumed benefits to be derived from the stated assumptions included reduction in public expenditure and borrowing requirements, increased productivity and performance (Jackson and Price, 1994; Vickers and Yarrow, 1995; McLaughlin et al., 2002; Pollitt and Bouckaert, 2004), more flexibility in consumer choice and voice, and conscious and careful use of public resources (Niskanen, 1973; Nutley and Osborne, 1994; Lane, 1997; Pollitt, 2007).

The assumptions underlying the concept of NPM have been questioned. For instance, the overall objective of private sector management values is the maximisation of corporate profits. This is different from the public sector emphasis on maximisation of collective gains, which include issues of social justice and equity, democratic values, trust and accountability, and social cohesion (Lane, 2000; Ferlie and Geraghty, 2005; Bovens, 2005; Pratt et al., 2007; Eliassen and Sitter, 2008). New Public Management reforms have involved changes to the provision of public services, including marketisation and a focus on consumers rather than citizens. However, critics of NPM have questioned the impact of these reforms on employees and consumers, referring to the negative outcomes of increased movement towards managerialism and consumerism (see Lane, 2000; Dibben et al., 2004).

This study aims to critically explore the extent to which these inconsistencies have become manifested in the Ghanaian WaterOrg as part of the intended or unintended consequences of privatisation and public-private partnerships.

* 1. **Political economy of Ghana before NPM**

The economy of Ghana before the introduction of NPM in the mid-1980s was arguably under extreme crises of underperformance. The crises which had become part of the public management and development issues in Ghana started soon after independence from the British in 1957 (Leith and Soderling, 2003; STAR-Ghana, 2011). After independence, the question as to who would benefit from Ghana’s foreign reserves accumulated primarily through cocoa export and other natural resources, coupled with tribal and ethnic divisions (STAR-Ghana, 2011), created tensions that undermined effective public management and defined the economic and political struggles up to the present time. In addition, there had been claims of economic mismanagement by successive governments due to ambitious and aggressive policies, cultural influences (Woode, 1997; Van Der Geest, 1998; Akuoko, 2008; Boateng and Anngela-Cole, 2012), political instability (Adu-Boahen, 1992), corruption (Pellow and Chazan, 1986; Appiah, 1998), a lack of people with technical skill and capabilities (Milburn, 1977; Dzorgbo, 2001; Meng, 2004), and perceptions of elitism (see Woode, 1997). These consequently resulted in public sector performance problems, increasing borrowing and a crippling debt burden. It was in the context of poor performance of public organisations and a worsening fiscal and balance of payments crisis that the government of Ghana accepted economic reforms from the World Bank and IMF in the mid-1980s known as the Economic Recovery Programme (ERP) (see Tangri, 1991; Osei, 1999; Soderling, 2003). The ERP was underpinned by NPM reforms and aimed to restructure public sector organisations by increasing their autonomy to operate efficiently and effectively through cost recovery measures. This consequently led to the introduction of some NPM reforms such as privatisation, perceived as the most practical and realistic solution to the public sector performance problems in Ghana (The Ghanaian Independent, 2002).

* 1. **NPM in Ghana and water provision**

Before the introduction of the privatisation (public-private partnership) into the WaterOrg, it was branded one of the most inefficient public service organisations, wasting a scarce national resource due to its inability to account for about 55% of the water produced and inadequate billing and revenue systems (Aboagye-Mensah, 2001; Dumoga, 1997; GWSC, 1993; see also Codjoe, 2004). The WaterOrg’s performance problems were attributed to both internal systems and processes (Aboagye-Mensah, 2001; Dumoga, 1997) and external political interference from national government and international institutions (Dapaah, 1990; Dumoga, 1997; Agyeman, 2007; Fuest and Haffner, 2007; see also Killick, 1978, 1983; Jeffries, 1994; Sandbrook and Oelbaum, 1997). Others have also connected performance problems in public organisations including the WaterOrg to the influences of some cultural practices such as the extended family system (Woode, 1997; Van Der Geest, 1998, 2002) and masculinity in management (Woode, 1997; Budhwar and Debrah, 2001; Tsamenyi and Mills, 2003; Aryee, 2004; Cole et al., 2007; Ohemeng, 2010). The cumulative effect of WaterOrg’s underperformance, coupled with its financial implications on government culminated in its partnership with the private sector in the form of privatisation / public-private partnership. Thus, the government decision to privatise the WaterOrg was inspired by ineffective management and the crippling debt and financial burden which had become a drain on scarce national resources.

Arguments against privatisation were mounted by various stakeholders. Nevertheless, privatisation through public-private partnership became operational in the water sector in Ghana in 2005. The overall assumption was that critical success factors underpinning effective partnerships (Klijn and Teisman, 2000; Carroll and Steane, 2000; Das and Teng, 2001; Gomes and Montanheiro, 2011) such as respect for each partner, power-sharing, trust, effective control and regulations among others could be acted upon and integrated into water sector management to improve performance problems in the WaterOrg.

Research is, therefore, crucial to ensure the effectiveness and sustainability of programmes, particularly in Ghana where it has been argued that the more the state has overseen economic regulation and management the greater has been the scale of the inefficiency (Pellow and Chazan, 1986). This study thus aims to provide a critical account of the issues surrounding privatisation and public-private partnership in the water sector in Ghana by consulting a wide range of stakeholders. It is only by doing so that potential problems likely to undermine the effectiveness and credibility of programmes can be identified and addressed.

Existing research on NPM in Ghana has included that by Larbi (1998), who examined the Water and Health sectors to understand the processes leading to privatisation. Specific issues that he raised included: an undeveloped macro policy and regulatory framework; weak management information systems; the lack of adequate professional staff to service critical areas such as finance and accounting; a lack of consultation and withholding of information; the over-centralisation of control concerning operational resources; lack of enthusiasm and commitment toward implementation; and overlapping lines of responsibility and weak coordinating mechanisms (Larbi, 1998). During the period of Larbi’s (1998) research, privatisation (public-private partnership) had not taken place in the water sector. Although his work undoubtedly provided some insights into NPM reforms in Ghana, it nevertheless failed to address the varied concerns of multiple stakeholders. Further work on NPM in Ghana was conducted by Polidano (1999). In writing about NPM in developing countries, Polidano (1999) found that attempts to improve the performance of public enterprises in Ghana through organisational performance targets had been disappointing. Performance incentives had proved too weak to have much impact, whilst the State Enterprises Commission was highly constrained in applying penalties owing to the close political and personal ties between managers and government. Although Polidano’s (1999) study contributed to the understanding of NPM reforms in Ghana, his findings similarly, did not make any specific reference to the WaterOrg or to the impact of NPM reforms on stakeholders including employees and consumers. This study seeks to address the gaps in the literature identified above and shed light on the critical success factors, institutional context, and impacts inherent in the use of NPM reforms in Ghana. For the purpose of this thesis, institutions are defined as formal and informal structures within the social system that influence the management of public organisations. North (1990: 3), one of the often cited authors on this subject, defined institutions as 'a set of rules, formal or informal, that actors generally follow, whether for normative, cognitive, or material reasons, and organisations as durable entities with formally recognised members, whose rules also contribute to the institutions of the political economy'. In simple terms, the formal institutions that are of relevance to this study include government regulation, international institutions, trade unions, and NGOs. The informal institutions, on the other hand, include the norms (ways of doing things, such as according to traditional values) and rules of behaviour that various actors (including employees) follow.

* 1. **Aim and objectives**

The overall aim of this research is to draw on institutionalist and culturalist accounts to explain the impact of New Public Management(NPM) reforms on a range of stakeholders in the African context through case study research in the Ghanaian water sector. The more specific objectives were to:

* Critically evaluate the intellectual origins and assumptions of NPM, and consider its applicability to the Sub-Saharan African context.
* Identify the main reasons and counter arguments for using NPM reforms in the Ghanaian water sector, including those associated with post-colonialism, socio-economic and culturalist accounts.
* Explore the extent of implementation of NPM reforms in the WaterOrg, including the use of privatisation and public-private partnerships and the forms of consultation used.
* Identify and describe the critical success factors for a range of stakeholders (including employees and consumers) and then evaluate and explain the extent to which they have been achieved.
* Assess the potential transferability of this study’s findings to other social contexts.
* Consider the potential implications of the study’s findings for effective public management in the case study organisation and other public sector organisations in Sub-Saharan Africa.

Following the review of literature, the following research questions were determined:

* What are the main causes of the public sector performance problems in Ghana?
* Which factors are responsible for policy failures?
* What effective mechanisms can be instituted to bring about improved public policy performance?
* Why was the public-private partnership introduced into the water sector?
* What were the main concerns of Ghanaian members of the public about the privatisation process?
* How, and to what extent, were different stakeholders consulted during privatisation?
* To what extent was the partnership between the public and private sector effective?
* What have been the impacts of privatisation on employees and consumers?
* Has the use of private/western work practices harmed or improved WaterOrg performance?
* To what extent are private/western work practices now used in the WaterOrg?

It was important to link the methods to the overall research questions and objectives. This is explained in more detail in chapter four, section 5.4, and briefly summarised below.

* 1. **Methodology**

To be able to address the research objectives above, this study was underpinned by an interpretivist and neo-empiricist approach and adopted the techniques associated with qualitative research. Qualitative research techniques have often been associated with the interpretivist philosophical tradition (Delanty and Strydom, 2003; Bryman, 2008; Benton and Craib, 2001, 2011; Denzin and Lincoln, 2011; Johnson and Duberley, 2015). An interpretivist approach assumes that knowledge underpinning social phenomenon can be known and understood primarily from the point of view of the individuals who live, work and have a cultural understanding of the phenomenon being investigated (Benton and Craib, 2001; May, 2001; see also Hughes, 1990; Hughes and Sharrock, 1997). This is primarily because the object of study in the social world - human beings - are fundamentally different from that of the natural sciences hence the outcome of human behaviour cannot simply be explained using scientific exploration (Johnson and Duberley, 2015: 5). As a result, it pays significant attention to the unique role played by the researcher, participants, and settings in the research process. For the purpose of this study, this meant that the aim was to seek to understand the perspectives of the different stakeholders interviewed.

It could also be argued that this study was undertaken from a neo-empiricist perspective, since it was believed that it was possible to minimise bias, and collect data through an array of qualitative data techniques to produce explanations that were based on the participants’ understanding of the social setting (Johnson and Buehring et al., 2006: 138). Thus, whereas it was assumed that what counts as knowledge in the context of this research can exist independently (Delanty and Strydom, 2003; see also Benton and Crab, 2011), it was also believed that other people’s subjective understandings and cultures could be authentically represented through ‘hard-won objectivity’ channels such as audit trails and reflexivity. In investigating the impacts of privatisation and public-private partnerships, it was necessary to seek to understand the broader influences of institutions and norms and power relationships. I have therefore sought to keep a careful account of how I chose to carry out this research, and how it was carried out in practice. Details of key philosophical and methodological issues underpinning this research, possible limitations and how they are addressed are explored further in chapter four.

The main method of field investigation was face-to-face, semi-structured interviews. In total, interviews were conducted with 54 people. However, this method was complemented by documentary materials collected from relevant sources such as WaterOrg, the Regulatory Commission, and other departments. In effect, two main approaches to data collection, interviews and the review of documentary evidence were used in a form of triangulation in this study. In addition, the observation was used as a supplementary method (Bell, 1993; Hammersley, 2007; Gill and Johnson, 2010). The study thus utilised the principles inherent in a multi-method approach, which is an intersecting set of different research methods within a single project (Denzin, 1978; Gilbert, 2008; Shank, 2007; Creswell, 2011). The use of multiple sources of evidence in case studies such as this allowed the addressing of a broader range of historical, attitudinal, and behavioural issues (Yin, 2003: 98). It also allowed for the development of converging lines of inquiry in the process of triangulation. As a result, the findings and conclusions of this research were arguably more rigorous, and robust. Analysis of the data was undertaken using the NVivo qualitative software package.

**1.6. Scope of research**

Although privatisation initiatives have been carried out in a range of organisations within Ghana, this case study organisation was chosen because it is the only provider of the essential piped borne water to the majority of Ghanaians. The provision of water is vital to issues such as malnutrition, water-borne diseases and poverty in Ghana. It is worth noting, however, that this study was not intended to focus on the dynamics of the partnership (the way in which the partners worked together), although this was covered to some extent, nor the critical factors that would make the partnership work better, although there are some broad lessons that might be taken into account, as outlined in the concluding chapter.

**1.7. Significance of study**

This study contributes to knowledge both in terms of theory and policy and practice. In terms of building on knowledge, this study has shed light on the impact of NPM reforms in Ghana. This was important, given the relative lack of knowledge of public sector management in Africa, and the impact of NPM reforms, even though it was among the first countries in Sub-Saharan Africa to embrace NPM reforms. Moreover, most studies that have explored the impact of NPM reforms have failed to take both an institutionalist and culturalist perspective. In particular, this research has: provided insights into the impact of privatisation and public-private partnerships from the perspectives of various stakeholders; highlighted problematic issues concerned with the process of privatisation, and in particular the forms of consultation used; and revealed the institutional rules and cultural norms that have impacted on the effectiveness of reforms for workers and citizens.

In terms of policy and practice, the findings from this research add to the lack of current knowledge of NPM reforms in the water sector specifically and privatisation and public-private partnerships in Ghana generally. The study has demonstrated that effective public policy is underpinned by effective institutional arrangements and all-inclusive consultation and communication. More specifically, it explains the impacts of NPM reforms on employees and citizens. It has provided further insights into the implications of the use of foreign multinational companies in programme implementation in emerging economies. The way in which this played out in the case of the WaterOrg led to tensions and disagreements between the WaterOrg and the PrivateCo and consequently impacted on the privatisation performance outcomes.

**1.8. Outline** **of thesis**

The thesis is divided into eight chapters. Following this chapter, chapter two evaluates the main theoretical arguments that have been associated with NPM. It is divided into three main sections, covering in turn: public choice theory, New Public Management (NPM) and its origins, contradictions and controversies, and privatisation under various regimes including a public-private partnership. Chapter three evaluates key socio-economic issues underpinning the political economy of Ghana that led to the introduction of NPM reforms in Ghana including those associated with post-colonialism, socio-economic and culturalist accounts. It is organised around three main themes: the political economy of Ghana, public sector management in Ghana and the role of formal and informal institutions in public management. Chapter four explores the main reasons and counter arguments for introducing privatisation into the Ghanaian WaterOrg. It is divided into three main sections under the following key themes: NPM in Ghana, privatisation in Ghana and privatisation of water in Ghana. Chapter five explores the various methodological and philosophical issues that are of particular relevance to this research and justifies the methods of data collection and analysis that were employed. The findings from the study are presented in chapter six. It is divided into four main sections: rationale for privatisation, the outcomes for the Government WaterOrg and the PrivateCo, the impact on employees, and the impact on consumers. The seventh chapter interprets the findings, through reference to existing literature, and demonstrates the way in which this study develops our understanding of the impact of new public management (NPM) reforms, engaging with culturalist and institutionalist perspectives. It is organised around six main themes:‘partnerships, opportunism and conflicting priorities’, ‘levels and nature of communication and consultation’, ‘beneficiaries of privatisation’, ‘multiple stakeholder impact evaluation’, ‘NPM reforms in Ghana: political interference, corruption and socio-cultural issues’, and ‘privatisation in a developing country’. The eighth chapter presents the conclusions and includes a summary of the key contributions to knowledge, and the potential implications for policy and practice.

**Chapter Two**

**New Public Management, public choice theory and privatisation**

**Introduction**

In recent years, the pace of public sector reforms in many parts of the world has accelerated, with the changes that have been introduced often being associated with the introduction of New Public Management Reforms (Nutley and Osborne, 1994; Lane, 2000; Ferlie et al., 2005; Christensen and Lægreid, 2007). Part of the reason for the take-up of these reforms centres on the assumed benefits that have been conveyed in the public management literature in relation to the promotion of NPM into public administration (Lane, 1997). The other but arguably more significant reason relates to the changing rhetoric quite often found in political narratives particularly in the UK and other Western countries (Hood, 1998). It is well documented that NPM was originally conceived in the OECD countries in the west (Lane, 1997; Christensen and Laegreid, 2007; Eliassen and Sitter, 2008) yet its influence has spread to most advanced and emerging economies including Ghana (Polidano, 1999). This chapter evaluates the main theoretical arguments that have been associated with NPM. It is divided into three main sections, covering in turn: public choice theory, New Public Management (NPM) and Privatisation. The first section discusses key propositions and counter-arguments underpinning public choice theory, often cited as developing the underlying principles of NPM (Harris and Seldon, 1987; Lane, 2000). The second section traces the circumstances that led to the introduction of NPM reforms into the public domain. It also evaluates the key propositions made by the proponents of NPM reforms, their intended benefits as well as a range of criticisms that have been levied against them. The final section explores different positions surrounding the concept and framework of privatisation, including a range of concerns, criticisms, and controversies that have been associated with its usage.

**2.1. Public choice theory**

This section evaluates public choice theory (PCT) as it is arguably the main theoretical framework that influenced the wave of new public management reforms in the public sector (van den Berg, 2004). In doing so, attempts are made to explain the underlying principles behind the public choice theory, which broadly speaking is the application of economic principles to the study of public institutions and the behaviour of public officials (Corbett, 1996; Tullock et al., 2000). Public choice theory essentially involves a critique of the problems identified with a bureaucratic public sector. Public services had for many years been delivered through traditional Weber’s ideal hierarchical bureaucracy (Lane, 2000). This hierarchical system was arguably deemed necessary for public sector accountability and trust (Ferlie et al., 2005; Bovens, 2005). Underlying public choice theory, on the other hand, is the assumption that public administration systems are old fashioned, do not offer consumers (users) much choice and flexibility, and as a result contribute to public sector performance problems (Niskanen, 1973; Perlman, 1976). To overcome the deficiencies in public management, Public Choice Theorists have argued for market mechanisms to be introduced into public management systems (Friedman, 1962; Tullock et al., 2000; Jackson, 2003).

**2.1.1. Rationale for, and development of public choice theory**

Public Choice Theory (PCT) involves the use and application of economic principles to the study of politics and public institutions, and has been very influential in shaping public sector reforms over the last two or more decades (Harris and Seldon, 1987; Farnham and Horton, 1993; Halligan, 1997; Lane, 1997, 2000; Jackson, 2003; Bovaird and Loffler, 2003). Generally speaking, PCT has been used to suggest the reduction of the public sector. In a much-cited work, ‘The Road to Serfdom’, Hayek (1944) argued that growing state intervention and decision making would eventually result in two key problems. The first of these was the rise of a ‘dependency culture’, implying that members of the public are dependent on public services. The second was a lack of choice for individual consumers, whereas the free market arguably provided a greater degree of individual economic and political freedom. How far, and the level to which, individual freedoms can be exercised within the market context is however not clear. Later advocates of the free market have included Friedman and Friedman (1980), who argued that high levels of public expenditure pose a serious threat to freedom and democracy. As a result, they called on governments to direct attention to controlling inflation via controlling the money supply, rather than seeking to manage demand through fiscal intervention. Thus, PCT was arguably a reaction to the Keynesian social democracy model, which had led to the management of the economy through state intervention in Britain in the post-war period (Farnham and Horton, 1993).

**Public choice theory: a reaction to Keynesianism**

Keynesianism was the economic model prevalent in many countries after the First World War. It represents the work of a famous British economist Robert Maynard Keynes (1883-1946), whose economic ideas had a profound influence on public management and informed the economic policies of governments (Mitchell, 1988; Jackson, 2003). The Keynesian approach involved governments playing the major role in the economic management of the state. To a large extent, governments fully engaged in the provision of goods and services while also providing the legal and institutional frameworks for other stakeholders to participate in the economy (Farnham and Horton, 1993; Yergin and Stanislaw, 1998; Sloman, 2008). The essential idea was to stimulate high levels of aggregate demand for goods and services in order to maintain or achieve full employment (Farnham and Horton, 1993; Jackson, 2003). To achieve this, governments relied on a combination of fiscal, monetary, prices, and income policies to address crucial economic issues such as unemployment, inflation, income distribution, the balance of payments and economic growth (Mitchell, 1988; Farnham and Horton, 1993). Keynes’ economic ideas continue to attract many followers and constitute a critical component both in the theory and practice of public sector management (Cooper, 1997; Yergin and Stanislaw, 1998; Cohn, 2006; Fenwick and McMillan, 2010; Greener, 2013; Farmer, 2014; Swain and Reed, 2015).

Of particular relevance to this thesis, a core tenet of the political economy of Keynes’ social democracy was the view that human nature and government behaviour are oriented toward serving the collective (public) interest. Central to this idea is the assumption that in order to administer justice, fairness and equality the state ought to play a leading role in the economy. Equally important to Keynes’ doctrine is the assumption that bureaucracy is characterised by precision and skill, modernity, discretion, sense of vocation, continuity of office, a specific duty of fealty to the state and to the public according to calculable rules. Moreover, it is assumed that public sector professionals will adhere to a high standard of professional ethics with integrity and incorruptibility (Thompson, 2008). As a consequence, the state assumed prime responsibilities in economic management to deal with the threats of market failures (Harris and Seldon, 1987; Veljanovski, 1989; Lane, 2000; Tullock et al., 2000; Bovaird and Loffler, 2003; Jackson, 2003). For instance, soon after the Second World War, there was a consensus, particularly among Western governments, that the state should take an active part in national reconstruction (Farnham and Norton, 1993; Nutley and Osborne, 1994; Eliassen and Sitter, 2008). This resulted in the massive state expansion across social life, from employment through to delivery of basic social amenities such as water, electricity, and gas to the provision of welfare and benefits systems. For instance, in Britain, after the war, there was a political consensus among all the major parties, Liberal Democrats, Conservatives and Labour not to disturb the Keynesian’s social democratic values, and to protect the National Health Services (NHS) due to significant public opinion support. The resultant impact was very high government expenditure.

Subsequently, there was a breakdown of the post-second World War consensus. The optimism of the 1950s and 1960s which ignited the need for active state participation in social and economic development began to fade (Nutley and Osborne, 1994) as governments became inundated with a chain of events such as the oil crises outlined below which posed a serious threat to the stability of the political system and social cohesion. The goal of full employment was not attained, public service was in disrepute, and government finance was in disarray while the overall public sector management was called into question. In the midst of the confusion and uncertainty, the gap left by the crumbling of the post-war consensus was filled by the new right ‘ideology’ which emphasised the importance of rolling back the frontiers of the state (Nutley and Osborne, 1994).

Economic conditions, particularly the oil crises in the mid-1970s and the ensuing recession (Farnham and Norton, 1994; Nutley and Osborne, 1994; Pollitt and Bouckaert, 2004; Eliassen and Sitter, 2008) called for re-think about the values underpinning the Keynesian development model. This weakened the power and control that nation-states were able to exert over their economic policies. The incidence of high inflation, balance of payment problems coupled with dwindling government revenue acted as a constraint on governments’ ability to sustain social services let alone initiate any development programmes. Governments’ inability to generate sufficient revenue for the provision of essential services consequently led to massive public sector borrowing at an alarming rate. New Right thinkers, therefore, were able to attack the values which had hitherto guided the conventional public sector management, and institutions such as the IMF called for intervention to limit public expenditure and get public sector borrowing under control (Nutley and Osborne, 1994).

Other factors contributing to the breakdown of the post-war consensus included social changes, and particularly pressure from citizens (Hood, 1991; Nutley and Osborne, 1994; Pollitt and Bouckaert, 2004). Pollitt and Bouckaert (2004) argue that if citizens become used to rapid and customer friendly business practices exhibited by the private sector (banks, building societies, and shops) they can become more and more discontented with public agencies that are too slow, inflexible and inhospitable. Also, the introduction of the welfare system which became a key component of Keynesian development model in Western societies was perceived to be inimical to social development (Konig, 1996; Pollitt and Bouckaert, 2004), and the welfare state was blamed for contributing to Britain’s economic difficulties (Farnham and Horton, 1993; Pollitt and Bouckaert, 2004; Ferlie and Geraghty, 2005; see also Matsaganis, 2011; Vis and van Kersbergen, et al., 2011). The high taxes required to sustain it arguably triggered inflation, reduced incentives and diverted scarce resources out of the wealth-creating private sector into the wealth consuming public sector (Farnham and Horton, 1993).

Other criticisms of the post-war Welfare state included the argument that professionals dominated public sector agencies and undermined effective management (Farnham and Horton, 1993; Dent, 2000; Broadbent and Laughlin, 2001; Sehested, 2002). The welfare system was delivered through a series of professional groups (doctors, dentists, teachers and many more). The operations of these groups depended significantly upon the monopolised bureaucratic structures that were insulated from competitive forces (Schumpeter, 1961). Since welfare services are arguably provided free of charge at the point of consumption (Jackson and Price, 1994), monopolised professionals arguably tended to oversupply – a situation that would not happen if the provision of welfare services incorporated market principles. More generally, public choice thinkers have argued that public officials serve their own interest (Niskanen, 1973; Tullock, 1976; Tullock et al., 2000) and that unions have been allowed to influence and undermine effective public management (Jackson, 2003).

In contrast to Keynesianism, Public Choice Theory draws on monetarist supply-led growth economic principles which argue for market dominance in the economy (Friedman, 1962; Friedman, 1970; Mueller, 1979). Monetarism implies that variations in money supply have major influences on inflation and prices and overall economic growth (Friedman, 1970; Cagan, 1987). As a consequence, government policies should aim at controlling the money supply. The determination of prices, outputs and income distribution in the economy, however, must be through supply and demand mechanisms (Cagan, 1987). The underlying assumption of the monetarist approach is the belief that markets offer the potential to guarantee effective and efficient income distribution and resource allocation, unlike public administration systems.

**The public choice school: the Chicago School of Economics and the Virginia School of Political Economy**

Most authors associate the public choice framework with the Chicago School of Economics and the Virginia School of Political Economy (Harris and Seldon, 1987; Lane, 1997, 2000; Bovaird and Loffler, 2003; Jackson, 2003). The Chicago School of Economics is one of the key departments of the University of Chicago in the U.S. The School is noted for its association with renowned economists whose ideas revolutionised public management systems (Lane, 1997). Scholars connected to the Chicago School of Economics have demonstrated a strong preference for the dominance of the private sector in their teaching (Lane, 1997). Among the influential thinkers associated with the school who are of particular relevance to this thesis are Ronald Coase, George Stigler, Milton Friedman, and Hayek. Coase (born 1910) pioneered transaction cost economics.

The Virginia approach as to how public sector performance could be improved was favoured by some economists of the Chicago School (Congleton, 1999). The complementary perspectives constitute what is now known as public choice theory. These elements of the public choice theory are summarised in the table below.

Table 2.1. Selected public choice theorists and key arguments

|  |  |
| --- | --- |
| Theorist (dates) | Key arguments |
| Ronald Coase (born 1910) | Transaction cost economics. The production of final goods and services involves a succession of stages, each of which has cost elements to it. If the government reduce its economic involvement, there is the likelihood of efficiency savings. |
| George Stigler (1911-1991) | Economic Theory of Regulation. The government should focus on providing the legal and institutional frameworks to advance individual rights and limit its involvement in economic activities. |
| Milton Friedman (1912 – 2006) | Monetary policies. Increasing money supply has key implications for prices, inflation and economic growth. |
| Friedman August Hayek (1899 -1992) | Government intervention undermines freedom of choice and leads to a dependency culture. He also argued in favour of economic liberalisation, civil liberties, political freedom, free trade and limited government. |
| James M. Buchanan (1919- 2013) | Individual action is oriented toward self-interest. Therefore, the state should stop intervening in the economy on the basis of promoting or protecting the collective interest. |
| Gordon Tullock (born 1922) | Individual action is oriented toward self-interest. Hence, the state should stop intervening in the economy on the basis of promoting or protecting the collective interest |
| Dennis C. Mueller (born in 1940) | The Principal-Agent relationship. The fundamental problem facing organisations was the difficulty of designing the appropriate incentives to induce one party (an agent) to act in the best interest of another (the principal). |
| William Arthur Niskanen (1933- 2011) | The public administration system faces performance problems primarily because bureaucrats maximise the benefits of office and operate in monopolistic environment hence there should be more competition. |
| Mancur, Lloyd Olson Jnr (1932 - 1998) | Members of a large group (the civil service) are likely not to act in the group’s common interest unless motivated by personal gains (economic or social) and others. Hence, large public sector organisations should be split into smaller units in order to enhance the prospects for working together to achieve group shared objectives. |

Source: Author

**2.1.2. Key propositions and assumptions of public choice theory**

There are a number of key propositions and assumptions associated with Public Choice Theory that draws together many of the themes originating from the Chicago and Virginia schools. Some of these relate to the behaviour of bureaucrats, including self-interest of bureaucrats, the degree to which they share information with government ministers, and their appropriation of funds. Others relate to the preference of the market over the public sector delivery mechanisms in terms of choice and flexibility, quantity and customer service, and the dominance of special interest groups.

One of the key propositions of public choice theory is that bureaucrats, politicians and voters are motivated by self-interest and that concern for others comes second (Niskanen, 1968, 1973; Tullock, 1965, 1976; Jackson, 1982; Aidan and Lawton, 1999; Tullock et al., 2000; Maclean, 2011). Bureaucrats arguably exhibit this behaviour under two sets of compelling, but not mutually exclusive conditions. The first is that they act rationally like any other people or businessmen aiming to derive the maximum benefit from their work. Reasons likely to influence bureaucrats’ behaviour under this condition include salary, benefits of the office, public reputation, power, patronage, and output of the bureau, ease of making changes and ease of managing the bureau (Niskanen, 1973). The second relates to the will to survive within the bureaucratic set-up. Bureaucrats are under the power of government officials, who can nominate and confirm the appointment of bureaucrats. Yet, bureaucrats have some power since they are arguably closer to members of the public and can deliberately withhold information from government ministers (Niskanen, 1973; Tullock, 1976; Tullock et al., 2000; Barton, 2001; Maclean, 2011). These influences can result in extreme bureaucratic behaviours which have far-reaching implications for public sector management. For the public choice theorists therefore, the starting point for any critical evaluation of the behaviour of bureaucrats and other public officials is the recognition that bureaucrats are people who are at least not entirely motivated by general welfare or the interest of the state (Niskanen, 1971, 1973; Tullock, 1976; Buchanan, 1976; Tullock et al., 2000). These concerns led Niskanen (1973), one of the proponents of the public choice theory, to question whether the public sector was the most appropriate provider of services. Bureaucrats had hitherto been portrayed as able, industrious, loyal and selfless people in the discharge of public duties (Weber, 1978). As a result, any problems that developed within organisations could be attributed to the departure from the ideal model or to interferences with the normal bureaucratic processes by the political authorities. Instead, Niskanen (1973) argued that government failure could result from the appropriation of funds by government officials toward a political party campaign for vote-maximising gains. He argued that public institutions are by their very nature not profit-seeking. Therefore it was unlikely for the officers in government departments to appropriate as their personal incomes part of the difference between the budget they would be willing to grant and the budget they did indeed grant to the bureau. Yet, there was a greater tendency for some officers to appropriate part of the bureau’s allocated expenditures as a contribution towards a political party campaign expenses.

Another public choice concern, which led proponents to argue for a reduction in the size of the state, is that public sector provision does not satisfy members of the public’s needs. Individuals are unable to acquire in sufficient quantities good and services that their purchasing capacity would alternatively allow (Tullock, 1976; Buchanan, 1978). This situation arises partly because government institutions specialise in the provision of a particular public good or service that tends to be limited in supply whereas in the market context people have choices and can decide how much they want of a thing. Another problem with public services is that public goods are collectively decided upon, and may be uniform in nature (Tullock, 1976; Lane, 2000). Niskanen (1973) raised further concerns about the extent to which the public sector served the needs of the public. He argued that bureaucrat attention to customer needs depended on a limited budget, whereas in profit-seeking firms, attention to customers depended on the addition to total profits.

A further assumption associated with public choice theory is that most government demands and services are organised by special interest groups to the detriment of the citizens (Buchanan and Tullock, 1962; Tullock, 1976; Maclean, 2011). Powerful pressure groups promote public expansion (spending). Consequently, state expenditure is likely to be much higher than might otherwise have been the case and the state is destined to be more active in economic affairs and in the general management of the economy. Moreover, while governments are supposed to provide essential services for the common goods, there may be many interest groups that have strong incentives for lobbying the government to implement specific polices that would benefit them potentially at the expense of the general public. For example, lobbying by the farmers might result in an inefficient subsidy for the production of a particular product using either direct or protectionist measures. The costs of such inefficient policies are then dispersed over all citizens, and therefore unnoticeable to each individual. Buchanan and Tullock (1962), referred to the costs imposed on the losers as external costs of collective decision making. On the other hand, the benefits are shared by only a small special interest group that has a strong incentive to perpetuate the policy by further lobbying. Due to ‘rational ignorance’ defined by Downs (1957) as occurring in situations where the cost of educating oneself on an issue exceeds the potential benefits that the knowledge would provide, the vast majority of voters will be unaware of the presence or motive of the lobbying groups. Even if they are aware they are unlikely to engage in collective action in order to defend their diffused interest (Buchanan, 1990).

Another assumption is that enabling the growth of the private sector and the wealthy will benefit the rest of society. The trickle-down theory is based on the assumption that tax breaks and other economic benefits provided by the government to businesses and the wealthy will benefit poorer members of society and improve the economy as a whole (Aghion and Bolton, 1997; Sowell, 2001, 2012). Proponents of tax cuts often argue that savings and investment are key components of every economy (Hunt, 2011). As a result, if government policies are aimed at inducing businesses to invest, it will have a multiplier (beneficial) effect on every member of society and the economy in general (Aghion and Bolton, 1997; Sowell, 2001).

One of the implications of the assumptions outlined above is the argument (see, for example, Niskanen, 1973: 50) for more experiments in the supply of public services by private profit-seeking firms and non-profit institutions. Similarly, Tullock (1976) argued that there is no reason why the choice between government and market should be permanent or unchanging. Since both government and market activities have cost elements to it, there is always the need to measure and compare the costs in both and choose the institution which can more effectively and efficiently perform the task in hand. This must be done rationally, taking into account the potential benefits and other defects of market provision, as well as the circumstances that lead to public sector inefficiencies.

**2.1.3. Critiques of public choice theory**

A range of criticisms of public choice theory has been put forward, most of which have been directed at the claims made by public choice theorists against bureaucrats in relation to public sector expansion, trust and integrity, and individual motives. Others have been directed toward the promotion of market-style mechanisms into the public sector and its implications for the general public.

Public choice theory has been criticised for assuming that bureaucrats wish to expand the public sector. According to Schumpeter (1976), the growth of the public sector in recent years is the result of inevitable consequences of modernisation and technological advances. Increases in technological advances have meant that a team of trained specialists has needed to be maintained to facilitate provision of services, including providing an enabling environment for the private sector to reap economies of scale.

Another critique of public choice theory centres on the proponents’ claim that every individual’s action is aimed at fulfilling self-interest motives (Niskanen, 1973; Tullock et al., 2000). However, this is not necessarily the case. A counter-argument is that most public choice theorists did not dispute that bureaucrats possessed many of the traditional qualities that were attributed to them. What they did dispute was that they were somehow not as other men and women; that they were motivated by different values and different aspirations. On the contrary, they believed bureaucrats were like other ordinary men and women, and as such, they would make most if not all their decisions in terms of what benefitted them, not society as a whole (Tullock, 1976).

Proponents of public choice theory argued that markets provided more information and choices to citizens (consumers) and consequently promoted democratic values (Goldsmith and Page, 1997; Tullock et al., 2000; see also Ferlie et al., 2005). On the contrary, it has been argued that market-based management reforms create divisions in society and do not engender trust and accountability (Halligan, 1997; Lane, 2000; Bovaird and Loffler, 2003; Flinders, 2010). Flinders (2010) for instance, has argued that survival in the market requires aggressive competition, competitive advantage, and profitability, in contrast to the state which emphasises oneness and co-operative values for the common good.

A further critique of public choice theory centres on the proponents’ lack of interest in equity and fairness in social/public provisions (Barry, 2005; Arneson, 2007). Barry (2005) for instance, argued that equality and fairness are likely to be undermined if social service provisions are dictated by private or market mechanisms and the quest for profitability. Instead, the state should continue to intervene to provide essential services to every member of society so as to sustain equality of access to these goods at a high level of provision.

In summary, this section reveals that public choice theory is the main intellectual framework that influenced public management reforms. Public Choice theory was probably a reaction to Keynesianism - the dominant economic model that argued for strong state participation in the economy in order to ensure equity and fairness in resource allocation. Keynesian doctrine consequently informed governments’ economic policies. However, due to socio-economic and public sector performance problems in the 1970s, proponents of public choice theory argued for the minimal role of the state. The section further reveals that public choice thinkers were mostly economics scholars who had a strong preference for the growth of the private sector rather than the public sector. These scholars consequently used economic analysis to explain how the public sector should function and the behaviour of individual actors involved. The section finally reveals that public choice theory has attracted much criticism, including accusations of undermining public sector trust, accountability and democratic values (Lane, 2000).

**2.2. New public management**

The principles associated with Public Choice Theory have underpinned NPM reforms (Lane, 1997, 2000; Jackson, 2003; Vining and Weimer, 2005). NPM is a dominant yet contestable force in public policy, whose influence has been felt across both advanced and emerging economies (Pollitt and Bouckaert, 2004; Vining and Weimer, 2005; Ferlie et al., 2005).

Since NPM is arguably underpinned by Public Choice Theory (Lane, 1997, 2000; Jackson, 2003; Vining and Weimer, 2005), not surprisingly, many of the arguments for and against such reforms have echoes of those associated with PCT.

There seems to be divergence as to what the precise definition of the NPM should be. Yet, the common theme running through the NPM model has been a focus on improving the economy, efficiency and effectiveness of public services (OECD, 1993; Polidano, 1999; Hope, 2002; Batley, 1999). NPM reforms thus aim to improve public goods and services with a particular emphasis on quality and quantity, customer satisfaction, timeliness and least cost (Nutley and Osborne, 1994; Polidano, 1999; Hope, 2002; McCourt, 2002; Eliassen and Sitter, 2008). According to Nutley and Osborne (1994), see also (Hope, 2002; Ferlie et al., 2005), NPM’s core elements include:

* The introduction of cash limits and a concern to demonstrate that resources have been well used (Value for money).
* Decentralisation of service delivery, coupled with devolved responsibility and accountability.
* The identification of explicit standards and measures of performance.
* An increasing focus on quality and the rights of consumers to have choices.
* Separating out the responsibility for policy setting from that of service delivery.
* The introduction of internal trading; i.e. separating service purchasers from service providers and establishing a contractual relationship between them.
* Greater competition.
* Privatisation and liberalisation of the market.
* A stress on private sector styles of management: managerial control, information flow, improved reporting, monitoring mechanisms and incentives (Ancoin, 1990; Hoggett, 1991; Hood, 1991; Stewart and Walsh, 1992; see also Dibben et al., 2004; Eliassen and Sitter, 2008).

The principles generally speaking require public institutions to develop competitive strategies, respond to market innovations and growth, ensure staff motivation and accountability and maximise profits (Mueller, 1987; Estrin, 1994). These principles are believed to help in dealing with public sector performance problems. A core element is ‘Value for money’ (VFM), which implies that public institutions should be more cautious in how resources are used and what outcomes are generated. Value for money is mostly defined as 'the economic acquisition of resources and their utilisation in the realisation of the purposes of the organisation, with the simultaneous achievement of economy, efficiency and effectiveness (the 3Es)' (Isaac-Henry et al., 1997: 83). Economy entails the acquisition of resources at the lowest possible cost to produce a service or execute a policy (Isaac-Henry et al., 1997). A lack of economy would occur if for example, there is overstaffing or when over-priced facilities are used. Efficiency, on the other hand, entails achieving the maximum possible output (service produced or delivered), from a given level of inputs. Effectiveness is primarily concerned with the impacts and outcomes of an intervention upon the clients and is achieved when the impacts of a policy are meeting the intended aims and objectives (Isaac-Henry et al., 1997).

**2.2.1. Explanations for differences in the form of NPM used**

Various explanations exist to account for the origin and emergence of NPM in public sector management, with frequent reference to the prevailing socio-economic and political conditions existing in the 1970s to the early 1980s (Hood, 1991; Nutley and Osborne, 1994; Borins, 1997; Batley, 1999; Polidano, 1999; Dibben et al., 2004, Pollitt and Bouckaert, 2004). NPM reforms are widely believed to have emerged and become operational in mainly OECD countries (U.K., Australia, New Zealand, USA, and so on) (Kickert, 1997; Vining and Weimer, 2005; Christensen and Lægreid, 2007; Eliassen and Sitter, 2008).

Although the forces that promoted the emergence of NPM tended to be similar across nation states, the issues which the NPM reforms had to address were by no means the same, with variations in the style, extent, and level of application of NPM reforms in individual countries. Each country has responded to the NPM ideals in a way that reflects its cultural, social and political imperatives (Ferlie et al., 2005) and institutional context. The extent of variation in its usage, adoption, and application arguably exposes the ambiguities, contradictions and inconsistencies inherent in the NPM model (Ferlie et al., 2005).

NPM was originally conceived in the OECD countries in the west in response to pressures such as unemployment, benefit crises, and ever-increasing public demand (Nutley and Osborne, 1994; Jackson, 2003). In Britain, for instance, NPM gained popularity during the Thatcher Conservative government period in the 1980s (Farnham and Horton, 1993; Lane, 2000; Jackson, 2003). The key values underpinning the Conservative (New Right) thinkers were individualism and personal freedom (Farnham and Horton, 1993). As a result, the government aimed to address socio-economic difficulties on two principal fronts. The first approach was to reduce the size of the state in order to make it more manageable, efficient and accountable. The second approach was to allow the private sector to play a leading role in the British economy (Boyne and Farrell, 2003). To achieve this, a series of reform programmes were introduced across a range of public sector organisations. While it will be inappropriate for the purpose of this thesis to provide full details of NPM reforms in Britain it is however, useful for the purposes of comparison to list some of the key components (Nutley and Osborne, 1994; Vickers and Yarrow, 1995; Ferlie et al., 1996; Polidano, 1999). These include:

* Decentralisation, defined in the context of NPM by some authors as the breakdown of large public bureaucracies into small units of operation to improve managerial performance and help in coordinating the effective delivery of services (Tullock et al., 2000; Donaldson, 2001; Promberger and Rauskala, 2003; O’Donnell et al., 2013).
* Corporatisation (converting civil service departments into free-standing agencies or enterprises, whether within the civil service or outside it altogether) (Polidano, 1999).
* Privatisation and particularly management contracts under compulsory competitive tendering.
* Citizen Charter Initiatives to enhance quality, choice, standard and value for money (Boyne and Farrell, 2003).
* Introduction of performance management measures (Bovaird and Loffler, 2003; Nutley and Osborne, 1994).

In the case of Australia, NPM reforms received immense political support when Robert Hawke’s Labour government was in power. The reforms had both political and managerial motives (Harris and Seldon, 1987). Politically, it was assumed that bureaucrats were responsible for public sector performance problems, therefore, politicians had to secure control over the bureaucracy (Halligan, 1997, 2007). The managerial component emphasised a shift from administering to managing within the bureaucracy (Halligan and Power, 1992). The main objectives of the reforms were to reduce the size of the state and integrate market principles into the public administration system (Barton, 2001). This was achieved through privatisation of Government Business Enterprises (GBE) and the curtailment of the welfare state (Barton, 2001). Consequently, several measures were introduced to limit government responsibility for welfare provisions. They included: outsourcing of welfare service provision to churches and other private welfare agencies to generate cost savings; introduction of user charges in health and tertiary education services; and provision of tax incentives. With respect to privatisation, major reforms introduced included: user charges, corporatisation, competition, commercialisation of public trading enterprises, and separation of policy formulation from service delivery (Barton, 2001; Halligan, 1997).

In New Zealand, NPM reforms gained popularity during the term of the Labour government of David Lunge (Harris and Seldon, 1987; Halligan, 1997). The main reasons for the reforms were arguably to reduce public sector borrowing cost, and to improve efficiency. One of the key reforms introduced in New Zealand was corporatisation. It was perceived as a necessary step toward privatisation by which public assets were to be transferred to the private sector. Consequently, over 20 public enterprises and major assets were privatised. Private and voluntary providers were also contracted to deliver certain services. Decentralisation also featured in New Zealand reform programmes. The key component of the decentralisation programme was the use of external providers and greater use of business units for the delivery of services (Barton, 2001).

The examples from these countries suggest that politicians were the principal architects of public sector reforms, guided by the ideology of their political party. However, there were variations across countries. For example, the main reforms introduced in New Zealand were corporatisation and decentralisation, whereas in the case of the UK and Australia, apart from the two reform components, there was an increased emphasis on privatisation (management contract) and managerialism (performance measurement). This implies that the impacts of reforms were also likely to be different. This probably explains why some NPM reforms such as privatisation and outsourcing in most cases resulted in the reduction of the number and proportion of public sector employees during the 1980s and early 1990s particularly in the UK (Colling, 1999), Australia, New Zealand and some Nordic countries (Bach and Bordogna, 2013). In contrast, in other countries such as France, Germany, and USA, the public sector workforce continued to increase or remained relatively stable (Bach and Bordogna, 2013). Thus, irrespective of the broad consensus underpinning NPM core principles, each country used it differently to address specific socio-economic issues (Hope, 1997).

**2.2.2. Variation in the implementation of NPM reforms in different country contexts**

As noted above, the perceived principles of NPM have not been applied to the same extent across countries. There has been a divergence of NPM reforms geographically to reflect local institutions (Christensen and Laegried, 2006; Halligan, 2015). Yet, there have been claims of convergence at least at the theoretical level which has been linked to a variety of pressures such as those from the IMF and World Bank, consultants and from wealthy multinational companies (Goldfinch and Wallis, 2010; Christensen and Laegried, 2013). The key question that needs answering is ‘What are the causes of variations across countries’? Various interpretations exist in the literature that accounts for the variations in public management reforms (Hall and Soskice, 2001; Pollitt and Bouckaert, 2004). Some of the explanations draw on the varieties of capitalism literature and that which distinguishes between different market economy models. Others relate to the structure of the state (centralised or decentralised), types of executive government, minister/mandarin relations, administrative culture, the diversity of policy advice and institutional variation.

Varieties of Capitalism theories (see, for example, Hall and Soskice, 2001), argue that variations in national systems are due to the co-existence of two different but potentially successful modes of market coordination (liberal and coordinated market economies). Underpinning both models is how to resolve the numerous pressures and competing for co-ordination problems. Two such co-ordination problems centre on managing employees’ collective interest through wage bargaining and balancing investors’ conflicting interests. In liberal market economies, firms resolve coordination problems with key actors through market competition, whereas in co-ordinated limits are placed on market mechanisms with compulsory collective co-ordination rules (Tepe et al., 2010: 10). According to Hall and Gingerich (2009), key differences are found in firms’ market capitalisation, the relative power of shareholders and the extent and coverage of employment protection.

Tepe et al. (2010) sought to discover whether the institutional coherence found in the VoC literature could be similarly applied to explain different patterns of administrative regulation. To do this, they focused on OECD countries. Their key findings show that public administrative systems can be clustered into those described as Anglo-American, French/German, and Scandinavian. The Anglo-American system (which includes Great Britain, New Zealand, Australia, Canada, and United States of America) has low levels of public employment regulation and limited resources supporting administration. The French/German one (including Germany, Austria, France, Belgium), is referred to as having “moderate public employment regulation and high politico-administrative regulation” (Tepe et al., 2010: 678). The Scandinavian public administration regime (Denmark, Finland, Norway, Sweden) has a ‘highly corporativist public employment regime with politico-administrative structures that appear to be relatively open to professionalisation’. They also add that Scandinavian countries seem to be more receptive towards NPM than Anglo-American countries, but more careful when choosing how to apply NPM reforms. The Anglo-American and French/German Regimes show a high degree of institutional coherence, but the Scandinavian administration regime does not. They, therefore, suggest that a country’s legal origin is important to take into consideration.

The variations of public management reforms across most OECD countries have also been linked to the differences in state structures, and whether they exhibit federal/decentralised or unitary/centralised management (Houston, 2000; Norris, 2003; Pollitt and Bouckaert, 2004). Decentralised management is defined in this context as meaning the spread or redistributing of the functions, powers, and machinery of public management across various levels of government: central, regional and local (UNDP, 1999; OECD, 2003). Centralised management implies the concentration of decision making functions and powers at the top hierarchy of government (Keating and Wanna, 2000). Pollitt and Bouckaert (2004) argue that in federal states (US, Germany, and Australia) most powers of public management have been delegated to various levels of government: state, regional and local/municipal authorities. The autonomy enjoyed by these bodies enabled them to experiment with different models of NPM reforms. In unitary states such as the United Kingdom and New Zealand however, the centralised government led to a more uniform approach (Pollitt and Bouckaert, 2004). They argue further that the system of democracy practised by each country, whether consensual or majoritarian and the relationship between the political/executive government and the administrative system have a significant influence on public management reforms. In the case of the former, if it is consensual for example, with multiple party coalitions’ decision-making processes may require a lot of negotiations. They noted in the latter’s case, that the effectiveness of interactions depends on whether administrative executives in the bureaucracy are perceived to be political or apolitical. Peters and Pierre (2004) have noted that formal polarisation is more likely if top bureaucratic officials are appointed directly by the political executives. Pollitt and Bouckaert (2004) believe that these differences have influenced how different NPM reforms have been implemented across OECD countries.

Another explanation for differences in the impact of NPM reforms (particularly regarding employees) relates to the type of employment relations institutions. Bach and Givan (2013) argue that the UK for example has no separate body of administrative law that governs public sector employment relations. Yet, the centralised nature of public management enabled the state to set rules and regulations governing employment such as endorsing the principles of fairness, involvement and equity in how the workforce are treated for the private sector to follow (see also Beaumont, 1992). The equality principles promote group formation such as trade union membership and encouragement of certain practices particularly support for centralised collective bargaining and other forms of workforce participation (Fredman and Morris, 1989). In contrast, in countries such as Germany and US, the state provides the regulatory framework for public sector employees which have been spread across various levels of government: central, local and district authorities. This allows for some flexibility and lack of uniformity in the conduct of public sector employment relations across all levels of governments. As a result, wherever collective bargaining exists, for example, attempts have been made to remove threats of strike actions. The flexibility permits each state to adopt employment policies to reflect the local context without interferences from the central government. The state also has direct control over the conduct of public management due to the belief in sovereign employment tradition at the central level. There is thus the perception in the US for example, that civil servants are employed for life which prevents unjust or unlawful termination at federal, state and local government level. As a result, civil and public servants in the US have much better protection than their counterparts in the private sector (French, 2009).

Although the above variations cover advanced economies, they usefully provide an insight into the variations that can exist in the way in which NPM reforms have been implemented, and the importance of the political and economic context.

**2.2.3. NPM and comparative capitalism in developing countries**

The extent to which NPM reforms can contribute to national development in developing economies is widely thought to depend on the role of specific institutional traditions and practices (Wood and Frynas, 2006; Wood and Brewster, 2007; Wood et al., 2011). Good and effective institutions can promote both economic growth and policy performance (Wood and Frynas, 2006). Whitley (1999) posits that institutional arrangements built around ownership and non-ownership co-ordination as well as on employment relations are pivotal for capital accumulation and subsequent national economic development. He claims that integration and effective management of these specific institutional traditions account for the national economic success of some countries in East Asia (Hong Kong, South Korea, and Japan), Europe (Scandinavia and Italy) and North America (the United States) (Whitley, 1999: 43).

In contrast, in Africa and indeed, in many emerging economies, the specific institutional frameworks revolving around ownership, regulation, and employment relations are thought to be relatively weak and as a result are unable to support effective economic development (Wood and Frynas, 2006; Wood and Brewster, 2007). Some literature on Africa management attributes institutional weakness to external pressures and in particular to colonial legacies (Kiggundu, 1991; Hailey, 2000; Kayizzi-Mugerwa, 2002). Others also point to institutional characteristics such as cultural practices that are unique to each country’s economic practices (Nkomo, 2006; Kamoche, 2011; Jackson, 2012).

Wood and Frynas (2006), have argued that in East Africa the economic or business system is segmented in nature, underpinned by complex rigid networks of formal and informal institutions (see also Helmke and Levitsky, 2004; Wood et al., 2011). These informal institutions are incompatible with competitive capital development at the global scale. As with most national economies, ownership in a segmented business system operates at three main levels: transnational, state and indigenous/local. At the transnational level, however, ownership tends to be dominated by foreign capital due primarily to the underdevelopment of domestic capital to invest in new equipment and training. These multinational corporations are controlled directly by the parent company and indirectly in response to changes in the international financial markets. These pressures have made it increasingly difficult for them to invest in areas where short-term profitability is less likely but which nevertheless, would require a substantial amount of capital investment and development of indigenous skills (see Temu and Due, 2000).

In contrast, ownership control at an indigenous level tends to be direct and organised around strong patriarchal lines. Unlike transnational firms, these firms have many challenges, including capital mobilisation, and hence are forced to rely extensively on reinvestment, and ‘on sources of capital linked to personal networks’ (Wood and Fragnas, 2007: 246). They are also unable to expand because of international competition, legal and social barriers and domestic political uncertainty (Kimemia, 2000). In addition, the managerial class at the indigenous level appears to be relatively small or weak, residing with the owner and a small network of relations. Above all, they are also vulnerable to an economic downturn because their activity is also directly linked to broader trends in the domestic market (Tambunan, 2000).

More importantly, the state in segmented economies appears to be dominated by small groups of people, mostly elites who draw their political support and power base from an extended network of clans and informal arrangements (Hyden, 1983). This makes the state very fragile and unable to have the strong and collective social base that would be needed for effective policy development. The state as a consequence becomes an instrument for the allocation of national resources to the members of a network of patronage relations that is willing to share risks with the state elites (Fung and Wright, 2003; Wood and Frynas, 2006). The independent private business class is also not helped to be productive because members of it become the object of state suspicion of backing members of the opposition (Bracking, 2003). The above, coupled with weak employment relations including lack of involvement, centralisation of authority and a lack of compliance with industrial relation legislations at formal / state and informal levels are believed to have contributed to an economic development crisis in Africa and in many emerging economies. What is not clear though is whether NPM reforms can address the institutional issues raised.

**2.3. Economic performance and impact of NPM on different stakeholders**

As indicated above, NPM reforms aim to improve public services delivery by the use and application of private sector values into the public administration requiring changes in the structure of public organisations, their culture, behaviour, and management systems (Hope, 2002). Yet, concerns have been raised about the promotion of private sector management values into the public administration system. These include the quest for profitability, increasing use of performance indicators and measurements and their impacts on social cohesion, equity, and justice. In particular, concerns have been raised about: whether NPM reforms have enhanced, or are likely to enhance performance; the implications for public sector managers and employees (often due to the effects of ‘managerialist’ reforms); and the outcomes for services users.

**2.3.1. Economic Performance**

Some authors have argued that NPM reforms are likely to lead to improved economic performance (Nutley and Osborne, 1994; Hope, 2002; Ferlie et al., 2005) while others perceive that this is not necessarily the case (Lane, 1997; Dibben et al., 2004). Economic performance from the perspective of the private sector is defined as an assessment of an organisation in relation to its assets, liabilities and overall market strength (Augier and Teece, 2009). Economic performance is thus seen as an indication that its products and services were potentially attractive or appealed to a significant number of its customers. In the context of public management, however, an institution’s economic performance or success arguably extend beyond benefits enjoyed by immediate service users and institutions themselves. Rather, an institution should also contribute to the development of the national economy.

However, achieving high performance in public sector organisations is more complex than in the private sector (Isaac-Henry, 1997; see also Jackson and Palmer, 1993; Talbot, 2005). The complications according to Isaac-Henry et al. (1997) are underpinned by the following. Public service organisations tend to have multiple stakeholders, frequently have a conflicting set of objectives, usually deliver a wide range of complex services and policies in a non-market or quasi-market environment, and are usually in a monopoly position. Besides, public services are delivered in a complex socio-political environment (Isaac-Henry et al., 1997: 78). The above seems to suggest that the meaning of successful performance and quality service delivery particularly in the public sector has many dimensions and is widely contested. There have also been claims that the quest for improved economic performance in the market has paved the way for all sorts of ill-conceived behaviours and mal-practices (Bellone and Goerl, 1992; Terry, 1993; Ruscio, 1996; Deleon and Denhardt, 2000; Deleon, 2005). Practices often cited as being prominent features of private (business) enterprises include: colluding in fixing charges, restricting the flow of information, data manipulation, and pressing for special protections (Ferlie et al., 2005; Deleon, 2005). The dynamics of the market thus put enormous pressures on participants who consequently resort to inappropriate practices in order to avoid the rigours of competition and make profit. Thus, the increased emphasis on performance and the quest for profitability also has it social and moral consequences.

**2.3.2. Managerialism and its impacts on public sector employees**

Managerialism became an integral component of the NPM doctrine as a result of arguments mounted by the proponents of public choice theory against bureaucrats (Hood, 1991; Dibben et al., 2004). As outlined in section 2.1 above, proponents of public choice theory have assumed that bureaucrats are motivated by self-interest and maximise the benefit of their office. They also assume that bureaucrats have better information than their superiors (politicians/ministers) which gives them relative advantage. This consequently gave bureaucrats power (Ancion, 1990) which they arguably used inappropriately. In order to reduce bureaucrats’ power base and other potential avenues that led to the maximisation of their interest (benefits), it was considered to be important for effective control and supervision mechanisms to be put in place.

Managerialism involves the application of private sector management principles (values) into the public sector (Hood, 1991; Flynn, 2000; Hope, 2002; Dibben et al., 2004; Preston, 2012). Some of the key principles underpinning private sector management include intensive performance measurement regimes, corporate planning, auditing, contracting and supervising and monitoring (Power, 1997; Dibben et al., 2004). Managerialism was therefore aimed at incorporating private sector values into the public administration system in order to improve the economy, efficiency and effectiveness of resource allocation and utilisation (Leeuw, 1996; Batley, 1999; Dibben et al., 2004).

In order to ensure that public policy outcomes resulting from management decisions improved the quality of services delivery, new accountability measures such as audit and accrual accounting methodologies have been developed (Parker and Guthrie, 1993; Power, 1994). This has consequently brought about changes to working conditions including the tight monitoring of work and other forms of control (Dibben et al., 2004). Tighter control over employees and working practices due to managerial prerogatives has been achieved against the backdrop of weakening employee voice with serious implications for pay and working conditions (Bach and Givan, 2013; see also O’Donnell et al., 2013). Indeed, empirical evidence suggests that changes introduced as part of managerialism led to a significant reduction in employees pay (Zuberi, 2011; [Hermann](http://eid.sagepub.com/search?author1=Christoph+Hermann&sortspec=date&submit=Submit) and [Flecker,](http://scholar.google.com/scholar?q=%22author%3AFlecker%20author%3AJ.%22) 2011; Bach and Stroleny, 2013; Melly and Puhani, 2013), and in particular for low-level workers ([Peters](https://scholar.google.co.uk/citations?user=-pezt30AAAAJ&hl=en&oi=sra), 2012; Schmitt, 2014). Vrangbæk et al. (2015: 16) have argued that the negative effects on salaries have been much more severe in countries with liberal market traditions where union influence has been weakened by legislation. They also point out that employee’ benefits such as training programmes tend to be affected and in most cases reduced or removed.

Concerns have been raised around how performance management and performance measurements have been used in practice (Dibben et al., 2004; see also Sanderson, 2001; Bovaird, 2002) and the validity, reliability, and consistency of performance measures (Cutler and Waine, 1997a; Dibben et al., 2004). Dibben et al. (2004) have argued for instance that the measures introduced are not the most appropriate, may not measure what they are supposed to measure and should not necessarily be applied in the same way in different situations and contexts.

Emphasis on performance management has also resulted in substantial cuts in the public sector workforce ([Muñoz-Bullón](http://www.tandfonline.com/author/Mu%C3%B1oz-Bull%C3%B3n%2C+F) et al., 2011; [Hermann](http://eid.sagepub.com/search?author1=Christoph+Hermann&sortspec=date&submit=Submit) and Flecker, 2011; Nolan, 2011; Peters, 2012; Melly and Puhani, 2013; Hood and Dixon, 2013; Schmitt, 2014: Vrangbæk and Hielmar et al., 2015) and recruitment freezes (Bach and Stroleny, 2013; [Mascio](http://abs.sagepub.com/search?author1=Fabrizio+Di+Mascio&sortspec=date&submit=Submit) et al., 2014). As a consequence, employees have come under sustained pressure of work intensification (Dibben et al., 2004; Wood, 2004; [Hermann](http://eid.sagepub.com/search?author1=Christoph+Hermann&sortspec=date&submit=Submit) and [Flecker,](http://scholar.google.com/scholar?q=%22author%3AFlecker%20author%3AJ.%22) 2011; Vrangbæk et al., 2015) leading to stress and related sickness (Zuberi, 2011; [Cooke](http://www.tandfonline.com/author/Cooke%2C+F+L)and Zhan, 2013; Lindsay et al., 2014).

In order to increase performance, and reduce the risk of opportunistic behaviour among public sector officials, incentive schemes similar to those found in the private sector have been employed (Osborne and Plastrik, 1997). It has been argued that the traditional pay system in which employees are positioned on standardised pay rates with service-related adjustments are ineffective ways of maximising employees’ potentials/performance (see[Nielsen](http://jpart.oxfordjournals.org/search?author1=Poul+A.+Nielsen&sortspec=date&submit=Submit), 2013). Instead, an individualised pay system such as performance related pay (PRP) that establishes a linkage between achievement and reward has been promoted as an effective design for motivating employees and reducing the wage bill (OECD, 2005). This has resulted in the introduction of performance-related pay across public sector organisations in countries such as Australia, New Zealand, and the UK among others as part of the public sector re-organisation agenda.

As a measure, performance related pay has been challenged for undermining public values and democratic collectivism by public sector union groups (O’Donnell et al., 2013). In New Zealand for example, the Public Services Association (PSA) has developed programmes that place emphasis on mutual gains such as high-performance work system (HPWS) to counter the rhetoric underpinning the neo-liberal / managerialism agenda (O’Donnell et al., 2013). It has been argued that performance is contingent on other factors (see Isaac-Henry et al., 1997), and also that an individual appraisal system can be manipulated by supervisors and managers to favour their choices of employees (see O’Donnell, 1998). Bach and Bordogna (2013) have argued that increasing focus on the workforce opportunistic practices vis-à-vis performance problems in public institutions, underestimates the potential weaknesses of the principals and their likely behaviour in public domain. They believe that if principals are poorly motivated to enforce employment regulations, for example, they could also connive with agents such as local employment groups in fixing pay and working conditions.

Underpinning the concept of managerialism also is the assumption that public sector performance problems would improve if senior managers are given more operational powers to manage. This has resulted in a substantial increase in the number of senior management positions and associated remuneration in the public sector (Bach and Givan, 2013). It is estimated that the number within the senior civil service in the UK increased from 3108 to 4271 between 2000 and 2009 respectively (Review Body on Senior Salaries, 2010: 9). Potentially this is an issue which raises doubt about the credibility of NPM in its quest to reduce the size of the state. Managerialism has also brought about changes in the scope and career pathways of the public sector workforce. It has altered the hitherto career-based employment model where public servants are appointed for life with minimal or no threat to job security. In contrast, more emphasis has been placed on a position-based system in order for the best-suited candidates to be selected either internally or externally for each position (OECD, 2004). It also means that positions within the public sector will be surrounded with uncertainties since the emphasis on a position-based system is likely to encourage flexible and temporary work so that employees can be easily laid off on the basis of performance related issues without any defence or hearing. Indeed, some studies suggest that managerialism has led to the replacement of old and experienced employees with young and flexible workers with low pay and poor working conditions (Vrangbæk and Hielmar et al., 2015; see also [Hermann](http://eid.sagepub.com/search?author1=Christoph+Hermann&sortspec=date&submit=Submit) and [Flecker,](http://scholar.google.com/scholar?q=%22author%3AFlecker%20author%3AJ.%22) 2011; [Peters](https://scholar.google.co.uk/citations?user=-pezt30AAAAJ&hl=en&oi=sra), 2012). Nevertheless, it could also be argued that the shift in emphasis is intended to make public sector employees take more responsibility for their actions.

**2.3.3. NPM and service users**

In order to understand the impact of NPM reforms on the users of public services, it is important to make a distinction between citizens and consumers. Citizens represent a link between people and the state particularly in terms of nationality. Possession of citizenship thus accords one the right to work and live peacefully in a country and to participate in socio-economic and political activities (Weis, 1979). Moreover, it has been argued that citizens have the right to be involved in decision making and this accords them some form of power (Dahl, 1957; Stewart and Walsh, 1992). A consumer on the other hand, is a person or group of people who are the final users of products and services produced within a social system. The concept of consumer varies significantly by context, yet there is a common definition underlying its usage or application. A consumer is therefore perceived as an individual who buys products or services for personal use and not for resale or manufacture (Cross, 1997). However, Sanderson (2001: 8) also argues that consumerism implies providing users of services with more information regarding policies, services, performance, and standards to enable them to make choices and influence service delivery in the context of quality and value for money.

The scope of the term consumer might also extend beyond individuals who buy goods and services for personal use to include those who also use it for other purposes such as re-selling or to facilitate commercial or money generation purposes. This is due to the fact that different categories of consumers such as domestic or commercial can exist in some countries, such as Ghana, with respect to utilities such as water or electricity supply and consumption. As a result, the perceptions and impact of NPM reforms across different consumer/customer groups in Ghana might be different.

It has been argued that the NPM emphasis on consumerism undermines the role of members of the public as citizens, and also does not take into proper account the situation of the most vulnerable in society (Dibben et al., 2004). Those who are vulnerable in society are often not able to effectively voice their concerns or make demands for services (Mackintosh, 1998). The emphasis on consumerism in the public domain thus seems to imply the following: firstly, access to essential social services such as water, health, and shelter will be dependent upon the individual capacity and willingness to pay (Daly and Lewis, 2000; Allard, 2004). It also means that profit maximising producers’ are more likely to concentrate on the most viable segments of society since these will guarantee returns of investment. Some commentators have termed this sort of public service delivery as cherry-picking (Merrick, 2011) or cream-skimming (Dibben et al., 2004; see also Jackson and Price, 1994). Under this regime of the targeted supply of public services, the poor and most vulnerable in society are likely to be marginalised (Dibben et al., 2004).

Another critique of NPM is that services produced by privatised companies are not subject to the same political (ministerial) controls in their performance (Bovens, 2005) as their public sector counterparts. As a result, privatised companies arguably have far less stringent duties to put into the public domain their performance trends or achievements. The implication is that they are less accountable to the public and therefore are less likely to involve the public in decision-making processes.

**2.3.4. The relationship between new public management, neo-liberalism, and marketisation**

As mentioned in section 2.2, NPM reforms were premised on the assumption that public sector performance would improve if market principles are incorporated into public organisations ((Lane, 2000; Jackson, 2003; Vining and Weimer, 2005, Eliassen and Sitter, 2008). This has paved the way for the introduction of a wide range of NPM reforms including privatisation under various regimes. These reforms have been promoted amidst an increasing emphasis on values underpinning private sector management including the focus on improving the economy, efficiency and effectiveness of public services (OECD, 1993; Polidano, 1999; Hope, 2002). Although NPM reforms have emphasised different avenues by which performance could be improved, including increased competition and managerialism among others, the implications of these reforms on society, and in particular, the impact on employees and service users (see Bond, 2004; Dibben et al., 2004) seem to have been often ignored. Critics, nevertheless, have raised concerns about the promotion of NPM reforms into the public administration domain because of values / contextual differences - maximisation of profit in the context of the private sector, contrasted with the public emphasis on promoting the collective interest in terms of trust, equity and justice in the allocation of resources (Lane, 2000; Bovaird and Loffler, 2003; Barry, 2005; Flinders, 2010).

Although NPM principles have been underpinned by the principles associated with public choice theory, the promotion of NPM reforms into public administration domain has been the result of neo-liberal policies, albeit that there is sometimes hostility towards a state monopoly over service provision (Dibben and Higgins, 2004). Neo-liberalism is a political-economy model that argues for strong market involvement in the provision of public services (Chomsky, 1999; IMF, 2000; Harvey, 2005). Central to neo-liberal policies is the assumption that in order to advance human progress, there needs to be a global market underpinned by competition and opportunities (see IMF, 2000). What individual states have to do to make this achievable is to strengthen the institutional arrangements that protect private property rights and promote free trade. Thus, the key features of neo-liberal policies are privatisation, deregulation, and marketisation. As with NPM reforms, neo-liberal economic policies emerged in the OECD countries during the period of economic downturn in the 1970s, when it was argued by some that continued reliance on Keynesian social democratic model posed a serious threat to national stability and economic development (Nutley and Osborne, 1994; Pollitt and Bouckaert, 2004). Whereas Keynesian argued for strong state intervention in economic policies in order to promote equity and fairness (Pollitt and Bouckaert, 2004), neo-liberal thinkers - proponents of NPM reforms - argued for the minimal role of the state (Nutley and Osborne, 1994; Eliassen and Sitter, 2008). The essential idea was to reduce the size of the state and allow market profit seeking principles to underpin public sector management (Chomsky, 1999).

Thus, neo-liberal policies have underpinned NPM reforms. These reforms have resulted in many changes in the ways in which the public sector is managed, including an increasing emphasis on marketisation (Dibben and Higgins, 2004). Marketisation has been defined as the transfer not only of public assets into the private sector but also the incorporation of private sector culture, values and practices into public organisations (Dibben and Higgins, 2004). There is thus a direct relationship between marketisation, NPM and neo-liberalism, at least in principle. The introduction of market led reforms has been associated with controversy, both in terms of theory and in practice. For instance, neo-liberalism, NPM, and marketisation have all emphasised strengthening the market / private sector in the area of public resource allocation, leaving the role played by other external partners, including the voluntary sector, ‘hanging in the balance’. Moreover, it could be argued that NPM reforms rarely operate according to market principles. In contrast, they represent an attempt to allow insider corporations access to state resources through monopolistic outsourcing of public services, without adhering to the competitive principles underpinning the market. Indeed, in developing countries where the institutional checks and balances are somewhat weaker, it could be argued that the opportunities for insider corporations to occupy a privileged and protected status between state and market are even more pronounced (see Wood and Frynas, 2006).

In summary, NPM emerged out of the socio-economic and political difficulties of the 1970s and early 1980s which nation-states had to confront (Hood, 1991; Nutley and Osborne, 1994; Borins, 1997; Batley, 1999; Polidano, 1999). Although originally conceived in the OECD countries in the West, its influence has spread to most advance and developing countries. Moreover, NPM was based on certain core assumptions such as competition in the market, contracting-out, and privatisation, managerialism (Nutley and Osborne, 1994; Hope, 2002; Dibben et al., 2004; Ferlie et al., 2005). The overall objective was to improve the efficiency and effectiveness of public service delivery. However, NPM reforms have been characterised by contradictions, ambiguities and inconsistencies (Lane, 1997; O’Toole, 1998; Borins, 1999; Wood, 2004), relating to: the difficulty in determining whether members of the public should be viewed as citizens or consumers; the implications for public sector workers of ‘managerialist’ reforms; and questions around whether NPM reforms have necessarily resulted in improved performance. Similar criticisms can be levied against privatisation, as explained below.

**2.4. Rationale for privatisation**

Privatisation is one of the key elements of NPM reforms (Eliassen and Sitter, 2008). It is also associated with Public Choice Theory (see discussion in section 2.1) generally and the Principal-Agent theory in particular.

Some have argued that privatisation has tended to suffer from the problem of definition caused by the failure of many observers’ to distinguish between the primary policy orientation of government to provide a service and the secondary decision to produce a service (Biersteker, 1990; Kolderie, 1986). For some, privatisation simply refers to the transfer of public enterprises to the private sector, thereby strengthening the role of the private sector in national economies (Butler, 1991; Boycko et al., 1996; Cook, 2001). For Vickers and Yarrow (1995), privatisation is simply the transfer of public ownership into private hands. Jackson and Price (1994) defined privatisation as the sale of public sector assets perfected through the incorporation of necessary policies. This suggests that privatisation conveys different meanings in relation to time and place and it is multi-dimensional. In the context of this thesis, however, privatisation is defined as the involvement or transfer of a specific operation or component of public service delivery to private-profit seeking organisation for either an unlimited or specified period of time.

**2.4.1. Why are services privatised?**

The core issues or purposes associated with the concept and framework of privatisation include the following: improving efficiency; increasing managerial control; reducing public sector expenditure; reducing government involvement in the provision of public services; gaining political advantage; and increasing competition and customer choice (Yarrow, 1989; Jackson and Price, 1994; Lane, 1995; Bishop et al., 1995).

One of the key aims of privatisation is to address non­­-market failure. (Wolf, 1979) suggests four possible scenarios in which markets can address the problems of inadequacies associated with the public sector. These are grouped under the following headings: internalities, externalities, economies of scale and distributional inequity. With respect to internalities and its relationship to private sector goals and service delivery, Wolf (1979) argues that public sector agencies lack appropriate performance indicators similar to those found in the private institutions to monitor operational efficiency, consumer behaviour and profit and loss situations. They also lack any bottom-line evaluation mechanism equivalent to profit or loss for appraising success (see also Dolley and Worthington, 1996: 29). Wolf further argues that public sector agencies often develop internalities that do not have any connection with the ostensible public purpose that the agencies were set up to serve. On externalities, Wolf argues that public sector agencies become the subject of strong political interference, which causes disruption and unanticipated side effects. Pressures from politicians are spontaneous and often do not allow bureaucrats much time and space to reflect on their actions. The side effects of adhoc policy initiatives are that policy outcomes are usually far removed from the original target. Reflecting on this problem (Ohemeng, 2005) argues that governments are usually interested in finding solutions that are politically attractive without much recourse to the administrative and economic consequences of such decisions. Concerning economies of scale, Wolf’s (1979) argument is that public sector agencies have a tendency to increase the cost of services. While private sector firms have strong incentive regimes to increase productivity at less cost due to competition and the quest for profitability, this, on the contrary, is not the same with public sector agencies. Thus, public sector agencies are monopolistic in nature and therefore take advantage of the lack of competition to expand, consequently compromising on the quality of service delivery. On distributional inequity, Wolf (1979) argues that public agencies do not produce in sufficiently large quantities to meet the needs of the increasing demands of customers. They do so because of lack of competition, poor or inadequate incentive regimes and inadequate control and monitoring mechanisms. Private firms, on the other hand, have an appetite for profit and interpret every signal in terms of profit and loss potentials. According to Wolf, “non-market activities, whether intended to overcome distributional inequalities of market outcomes or to remedy other inadequacies in the market’s performance, may themselves generate distributional inequities (Wolf, 1979: 128). This action of public bureaucrats may also lead to distributional inequality based on income and status or geographical location and as a consequence benefit some people more than others. Wolf’s (1979) arguments have however been criticised for not adequately addressing the public sector performance problems, particularly in the context of the multiple objectives (Lane, 2000) and complexities within which the public sector operates (Vining and Weimer, 1991). In addition, he projected private sector values into the public domain as if there were no problems with it.

Jackson and Price (1994) further argued that privatisation will provide greater incentives for cost minimisation. This will be pursued in a variety of ways, but more crucially, it will encourage firms to pursue policies to curb the power and influence of trade unions that undermines effective management and flexibility (Marsh, 1992). Money raised from the sale of public assets (privatisation) can also be used to pursue two significant purposes. First, it can be used as a source of public sector financing to improve other areas of the economy. Second, it can be used as a means of reducing the public sector borrowing requirements. This will consequently reduce the need for governments to pursue politically damaging policies such as raising taxes or cutting public sector spending (Abromeit, 1988). The impacts on customers or users of public services are also likely to be great. Customers can benefit from the intense market competition by paying less for services, facing more stable prices or receiving improvements in the quality of services. However, doubts have been raised around the efficiency claims presumed to be inherent in privatisation (see Hood and Dixon, 2013; Corporate Watch, 2014; Ali, 2014).

**2.4.2. Forms of privatisation**

MacDonald and Ruiters (2006) argue that privatisation is not an either / or situation (either the state owns and runs a service or the private / community sector does). It must be seen as a continuum of public and private mixes, with varying degrees of involvement and exposure to risks by the two sectors (Gomes and Montanheiro, 2011; see also Starr, 1987). The different forms of privatisation are presented below:

**Full Divestiture**:

This represents a situation where assets of a public service provider have been fully and completely transferred to a private sector company (MacDonald and Ruiters, 2006; K'Akumu, 2006). The private operator consequently assumes responsibility for management, operations, and subsequent investment usually under the supervision of an independent public regulatory authority (UN-Habitat, 2003). Every potential risk inherent in the operations of the privatised sector also becomes the responsibility of the owner.

**Service Contract**:

This is assumed to be the least risky of all partnership types (MacDonald and Ruiters, 2006). Under this regime, the public sector continues to retain responsibility of the bulk of service provision such as maintenance and operations and the associated risks. However, specific but nevertheless important components of the service such as revenue collection and billing are contracted out to the private sector (Onjala, 2002). The private contractor is usually paid an agreed rate of fees in relations to performance outcomes decided upon during negotiations. Service contracts tend to have minimal contracting periods usually spanning from one to two years (K'Akumu, 2006).

**Lease - Affermage**:

Under this arrangement, a public service provider or authority rents (services such as water management) out to the private sector company (leaser). The private company then assumes complete responsibility for managing, operating and maintaining the system. The leaser is also responsible for collecting tariffs and retaining whatever amount that is generated as revenue after paying the leaser fee to the public (UN-Habitat, 2003). However, any potential future investment in plant and machinery are borne by the public sector. Lease contracts usually tend to have an extended duration of at least ten years (UN-Habitat, 2003).

**Concession**:

In this type of contract, the private operator or concessionaire assumes responsibility for every crucial decision-making scenario underpinning the service including operation, maintenance, management and capital investments for the entire concession period (MacDonald and Ruiters, 2006: 11; see also K'Akumu, 2006). As a result, the operator bears all the risks associated with operating the system and therefore aims to minimise its possible occurrences during the contract negotiation process (Loftus and McDonald, 2001). Concessions usually have fixed long-term periods covering over 25-30 years. It is probably to allow the operators some leverage to recoup a significant part of their investments (Budds and McGranahan, 2003).

**Build, Own, Operate and Transfer (BOOT):**

These contracts, according to (Budds and McGranahan, 2003), are similar to concession contracts. The difference though is that the private operator is responsible for constructing the infrastructure from scratch (Budds and McGranahan, 2003: 90). The private operator manages every aspect of the infrastructure project. After a specified period of time, the facility can be transferred back to the public authority (McDonald and Ruiters, 2006) or remain indefinitely with the private operator (Budds and McGranahan, 2003). BOOT contracts usually cover over 25 years.

**Community / NGO Provision:**

Community and non-governmental organisation (NGO) provision is believed to be an often neglected form of privatisation and involves the transfer of responsibility for service provision including maintenance to the end user or not-for-profit agency (McDonald and Ruiters, 2006: 11). This type of partnership is quite often found in low-income countries particularly in rural and poor urban settlements. Local governments under this regime often seek help from community leaders and associations particularly in terms of facilities and labour to undertake a project of local significance such as digging of wells or bore-holes.

**Management Contract:**

Management contracts usually involve the transfer of key responsibilities for public service provision such as operations and maintenance to the private operator (Budds and McGranahan, 2003; McDonald and Ruiters, 2006). The government, however, continues to assume responsibility for future investments and expansions and also monitors the private operator. Management contracts tend to span from two to ten years. Management contracts are often mentioned in political narratives as private sector participation (PSP). It involves the transfer of operational and managerial functions from the public to the private operators with different rules and regulations guiding the decisions that are made and how citizens are able to access information (McDonald and Ruiters, 2006). Some functions include, for example, bill distribution, meter reading, personnel management, strategic planning, revenue collection, and maintenance. Infrastructure and equipment tend to remain in public hands or transfers back to public ownership after a specified period, varying from short-term fee-service contracts to 30-year leases. There may also be joint responsibilities between the state and private firm managing operational functions. Management contracts can range from a small operation, such as one person contracted to install pre-paid meters in an informal urban settlement, to a large multi-national company contracted to manage the provision of water and sanitation services to an entire country. This model is used in most water privatisation cases by leading water firms such as Suez and Veolia (formerly known as Vivendi Environment), which operate this way in over 12,000 towns and cities worldwide (Kerf, 1998; Goubert, 1986). Interestingly, most discussions of privatisation seem to target multi-national corporations due to their international reputation and engagement in the water sector management, operations and financing irrespective of how they perform. As a result, small and medium size firms and entrepreneurs who play a significant role and have collaborated with public water agencies for many years have not been properly debated in the literature.

Below is a diagram showing different types of privatisation / partnerships, sources of control, funding and ownership.

Figure 2.1. Public-private partnership and sources of control, funding and ownership

**Public Sector**

**Private Sector**

Built, Owned, Operate & Transfer (BOOT)

Ownership

Divestiture

Ownership

Concession

Funding

Funding

**Public-Private Partnerships**

Internal Control

Internal Control

Service Contract

Management Contract

Lease Contract

Source: Designed by author but concepts adapted from Centre for SDIs and Land Administration, University of Melbourne, Australia, 2011

**Public-private partnerships**

The discussion above suggests that public-private partnerships are medium to long-term arrangements between public and private sector whereby the services which were previously delivered exclusively by the public sector are provided by the private sector based on mutual agreement, shared interest and risk (see Word Bank, 2014). One of the most popular forms of privatisation has been the use of public-private partnerships. Therefore, these will be considered in more detail in the following sections.

**2.4.3. Rationale for the growth in public-private partnerships**

Public-Private Partnerships (PPPs) have become increasingly popular as a form of organising the interface between public and private sector institutions (Hodge and Greve, 2005). The popularity of PPPs is arguably the result of the recognition that major differences continue to exist between public and private sectors management practices and behaviours (see OECD, 2005b; Osborne, 2006; Christensen et al., 2007). Carroll and Steane (2000) argue that partnership is a response to a fundamental shift in social perceptions that collaboration and interdependence are preferable to the competitive individualism. They stressed that such a feeling was reflected in Blair’s UK government emphasis on the ‘Third Way’, which perceived the overwhelming influence of the private sector in dealing with socio-economic challenges as deeply concerning and sought to minimise its interests. For the Labour government, therefore, a collaboration between government agencies (central and local), the private sector and the voluntary sector was perceived as an appropriate and effective means of delivering public services (see Falconer and McLaughlin, 2000). PPPs are thus, perceived by most authors as a co-operation between private and public actors in which products and services are developed and the costs, risks, and profits are shared (Klijn and Teisman, 2005; Van Ham and Koppenjan, 2001).

Partnership in public service provision is not a phenomenon which is new to both private and public sectors. On the contrary, each sector has used some form of partnership model to address specific operational objectives (Gomes and Montanheiro, 2011). For instance, partnerships have taken place in the private sector with the aim of increasing competitive advantage and firm’s profitability (Das and Teng, 2001; Lewis, 2002). On the other hand, partnerships in the public sector have been aimed at improving welfare and well-being of the populations (Gomes and Montanheiro, 2011). Thus, the objectives underpinning partnerships tend to differ across the diverse range of institutions (Tomlinson, 2005). Partnerships are therefore seen as one of the most effective ways of organising the provision of public services in order to improve quality, efficiency, and sustainability.

It has been argued that there are many benefits that can be derived from partnerships (Linder, 2000; Huang and Renyong, 2014; Buckleya et al., 2014). These include: sharing of risks and investment costs, accelerating the pace of products and service development, improving the economies of scale and sharing of ideas, resources and competence (Gomes and Montanheiro, 2011). In terms of consumers, Parker (2003) argued that they can benefit when they have choices to shift between alternative services providers and also when regulatory regimes are strong. In order to maximise the benefits inherent in partnerships, Gomes and Montanheiro (2011) have argued that the parties involved should seriously engage in critical self-reflection particularly with respect to their objectives. This should be tailored to incorporate the broader and long-term consequences on the business community, public sector groups, local and regional communities and the citizens. Also, efforts must be made to prevent problems and other opportunistic behaviours (see Lawrence et al., 1999; Grimshaw et al., 2002; Bertrand et al., 2014) from happening. For instance, there must be efforts to investigate the past achievements of the potential players since that will provide sufficient signals as to what the future behaviour patterns are likely to be.

Partnerships can have their teething problems too. One of the problems identified by (Gomes and Montanheiro, 2011) relates to the huge amount of money involved and the widespread nature of partnerships, particularly Private Finance Initiative (PFI) a partnership between two players - the government or local authority and one project provider. This has paved the way for private multinational investors to become actively involved in decision making on how public services are delivered while also reaping financial profitability benefits at the expense of the service users (Bevir et al., 2003; Godoy, 2008; Edigheji, 2008; see also Savas, 2000; Abbotta et al., 2011). It has also encouraged opportunistic and self-serving practices to the extent that career interests of senior managers and private consultants have been promoted in the public sector (Hood, 1991; see also Bach and Givan, 2013) than the interest of the vulnerable members of society (Estache et al., 2001). In the UK for example, it has been suggested that chief executives of privatised firms were paid substantial sums of money, about 50 times higher than their public sector counterparts (Dudman, 2014). There can be tensions and a conflict of interest (Rosenau, 2000) around how partnerships should be constituted and the actual beneficiaries. Politicians may benefit to the detriment of the ordinary citizens whom programmes (reforms) are meant to help, particularly the most vulnerable in society (Gomes and Montanheiro, 2011; Rosenau, 2000). Also, since the life span of partnerships tend to spread over a long period of time (see Codecasa and Ponzini, 2011), it is potentially likely that interest payment on private sector capital investment on public service provision could in the long run add up to the existing public deficit, particularly in developing and transitional economies (Mouraviev and Kakabadse, 2010) due to the higher cost and risk associated with private sector loans and borrowing (Sadka, 2007). The implications of that on future generations as they construct their development paths could be very challenging.

**2.4.4. Operationalising public private partnerships**

Various partnership models exist across the public management spectrum. However, each form is used to deal with specific operational difficulties in public management. In each case, the form and extent of its implementation tend to reflect the socio-economic and political narratives. For the purposes of analysis and comparison, this study has incorporated the model provided by Gomes and Montanheiro (2011) in relation to stages and levels of the partnership projects as represented in figure 2.2. Partnership according to Gomes and Montanheiro (2011: 2) should be seen as ‘what companies and the government can do together’. They argue that the public sector approach to partnership derives from the principle of (a) Give-Take-Give whilst the private sector model comes from the principle of (b) Take-Give-Take implying that the public sector tends to give more to the project than it is expected to take. The private sector on the other hand quite often takes out more than they actually put in. It also suggests that each party in the partnership at some point will have more control at one end, and less control at the other.

They also argued that the partnership process model is not a water-tight, rigid or sector-specific model, but rather a flexible process that can be carried out across a wide range of institutions (see also Tomlinson, 2005). Partnerships can be constituted at various levels of governments nationally and can also involve international players. The number of potential partners can also vary from the start to finish depending on the scale and scope of the task to be undertaken as depicted in figure 2.2. Each of the levels has key economic underpinnings.

Figure 2.2. Stages and levels of PPP projects

Source: Gomes and Montanheiro (2011: 6).

For instance, there is the likelihood that a program that has started at a local level with a few local partners could expand to include national and international players and consequently lead to job creation and economic growth. For these authors therefore the importance of partnerships ought to be pursued against the backdrop of its fundamental economic objectives such as business expansion, risk spreading and management, financial and legal issues, ownership, quality control, Research and Development (R&D), stakeholders and social gains (Gomes and Montanheiro, 2011).

**2.4.5. Critical success factors/trust, control, and power in partnership**

The success of partnerships is widely believed to depend on a range of factors including the partners’ selection, clear objectives, availability of funds or resources and information sharing among others (Klijn and Teisman, 2000; Carroll and Steane, 2000; Das and Teng, 2001; Gomes and Montanheiro, 2011). Equally mentioned as constituting critical components of success in most partnership debates are the issues of trust, power, and control (McQuaid, 2000; Huxham and Vangen, 2000; Tomlinson, 2005; Zhang and Jia, 2010). These are explored a bit further after the figure (2.3) that shows the critical success factors in public-private partnerships.

Figure 2.3. Critical success factors underpinning public-private partnership

Source: Author

Trust is a vital component of a partnership. Trust is widely used to refer to the expectations held by all parties in the partnership that each will behave reliably and predictably and adhere to the terms and conditions stipulated in order to maintain and achieve their mutual objective (Hardy et al., 1998; Das and Teng, 2001; Maguire et al., 2001). It is not easy to build and maintain trust in partnerships due to the perceived fears of partners opportunism (Zhang and Jia, 2010). Initial trust that led to the formation of partnerships could slip away into distrust if there is lack of openness in the design and structure.

Fairness is also important in partnerships. Emphasising on fairness can create a strong foundation for inter-party co-operation and for the kind of evolving co-operation needed in a volatile environment (Child et al., 1998). Fairness is one of the key underpinnings of any economic transaction (Naumann and Bennett, 2002) and has a positive effect not only on employees trust and social harmony but also on citizens’ behaviours (Ball et al., 1994). Once injustice is presumed to exist in relationships, the partner that knows it has been unfairly treated is likely to adopt some coping strategies such as reduce its commitment or threaten to terminate the relationship in an attempt to restore equity and fairness (Scheer et al., 2003). In addition, the under-compensated partner does not only suspect that the other is receiving most part of the reward but also become suspicious about the reliability of its partners undermining both trust and relational continuity (Doney et al., 1998).

Effective partnership is also thought to depend on clear objectives, strategy and accumulated experience (Huxham and Vangen, 2000). Partnership takes place in different contexts and for a variety of reasons including resource, technical or social development. Hence, the strategies and objectives underpinning partnerships need to recognize and integrate the diversity of these differences. The extent to which the intended benefits of partnerships are realisable depends to a large extent on partners strategies (Gomes et al., 2013). It is widely acknowledged that companies that have clear objectives (Hailey, 2000), strategy and experience (Gomes et al., 2013) are more likely to gain from partnerships in terms of performance than those that react or perceive it as a last resort. Vermeulen and Barkema (2001) argue that each strategic phase in the partnership process requires special competences that tend to favour partners with accumulated experience. Some authors have argued for companies that do not have previous experience in partnerships to acquire indirect learning (Gomes et al., 2013) such as by studying comparable institutions and making use of consultants (Delong and Deyoung, 2007) in order to enhance the prospects of future performance.

Successful partnerships are also underpinned by good leadership. There is a consensus among partnership writers that lack of top leadership in establishing clear company direction and managing the key stages in the partnership process can result in failures (Huxham and Vangen, 2000; Gomes et al. 2013). The leader can be appointed internally from within the partners’ institutions or appointed from outside. However, what is critical in both contexts is that the appointment takes into consideration certain leadership traits such as motivational skills, leadership style and a clear sense of direction among others (see Waugh and Streib, 2006).

Pritchett et al. (1997) have argued that most partnerships encounter problems not because of lack of strategic planning or choice but because of weak management in the implementation process. Hence, partnerships should aim at developing management teams that are capable of exploiting the partnership mechanisms to enhance corporate performance. Schweiger et al. (1993) argue that the implementation stage/phase of partnerships quite often tend to be associated with intended and unintended consequences that require unique leadership style to address. They claim that leadership style is important during this process primarily because key decisions are taken that potentially define the future success of the partnership including decisions to eliminate or shut down units that are considered not viable, lack certain functions or require the creation of new interconnected units that had never before interacted. It also enables organisational and cultural alignment and good management of expectations between both organisations.

Effective management of cultural differences is also critical for effective partnerships. Cultural influences underpinned most if not all working environments (Seth et al., 2000; Weber and Tarba, 2012; Gomes et al., 2013). The extent to which they are perceived as promoting corporate objectives depends on how those influences have been integrated into the organisational management framework (Hofstede, 1980). In the case of public-private partnerships, managing cultural differences can be challenging and time-consuming due primarily to differences between commercial values and norms underpin by corporate profit objectives compared with the public sector emphasis on the collective gain (Huxham and Vangen, 2000). It is also partly due to lack of clear authority structure such as those associated with traditional public management to oversee the partnership arrangements (Newell and Swan, 2000). The difficulty of designing common norms and values to govern inter-organizational relationships creates space for opportunistic behaviours and power struggle (Lawrence et al., 1999; Grimshaw et al., 2002). Partnerships have also become more complex in recent years, with the scope expanded from corporate through national to international levels. Nevertheless, managing cultural differences is an endeavour worth pursuing that can contribute to corporate performance. Indeed, empirical evidence gathered by Morosini et al. (1998), for example, found that cultural differences undoubted contributed to partnership performance by providing access to unique routines and capabilities. To effectively manage interrelationships among corporate, national and international cultural differences, (Weber et al., 2011) have argued for those influences to constitute a critical component of both pre and post partnership integration strategies, particularly with an emphasis on synergy potentials (see also Weber and Tarba, 2012).

Power relations also underpin most if not all partnerships (Scharpt, 1997; McQuaid, 2000; Klijn and Teisman, 2000; Tomlinson, 2005), primarily because it is difficult to reconcile the competing interest and values of all parties in the relationship (Das and Teng, 2001). Effective management of power relations is widely acknowledged to lead to the successful partnership (McQuaid, 2000; Scharpf, 1997). The presence of power and how they manifest in partnerships can be expressed in various forms including possession of technical or professional knowledge, availability of funding and other resources. The resources actors possess and its relevance to the partnership potentially gives them more or less power in partnership (Scharpt, 1997). Depending on the legal, institutional arrangements and composition of partnerships, there is the likelihood that less powerful actors will possess some veto power that can be used to block unfavourable decisions (Klijn and Teisman, 2000). The existence of potential veto power is to create an impression that presumably ‘*nobody is in charge’* (Bryson and Crosby, 1992). Das and Teng (2001) argued that any perceived threat or influence of power in partnerships ought to be captured by effective control and monitoring mechanisms.

Control is equally important in partnerships. Control in the context of partnership quite often refers to the processes by which rules and regulations governing the partnerships are established (Tomlinson, 2005) upon which reliability and predictability may be ensured (Das and Teng, 2001). Das and Teng (2001) argued that control can take two forms: formal/external control and social or normative control. Formal control prescribes rules and procedures governing the partnership which the actors are to adhere including those associated with performance monitoring, rewards and punishments. The normative/social control, on the other hand, relates to shared values and norms which the actors have agreed to operate upon after a series of negotiations (Maguire et al., 2001). Both control systems reinforce each other and significantly prevent opportunistic behaviours from emerging.

A further critical success factor in partnerships is the existence of an effective regulatory framework. Privatisation and indeed public-private partnership takes place in the context of established institutional and regulatory framework. These regulatory regimes set standards, monitors performance and intervene whenever necessary to ensure that abuses are minimised. Regulators views and opinions are more likely to merge with the vision set up by the government. Interestingly, this is where most privatisation related problems seem to come from (Bishop et al., 1995; Vickers and Yarrow, 1995; Vining and Weimer, 2005; see also Bayliss, 2002).

Perhaps most importantly, partnership should be underpinned by effective consultation, as outlined in the following section.

**2.4.6. Communication and consultation**

Good communication and openness are also essential requirements for effective partnerships (Weber and Fried, 2011; Gomes et al., 2013; Angwina et al., 2014). An all-embracing communication and information sharing culture needs to be established throughout the partnership life span to provide up-to-date information to all stakeholders. This is important not only for the unity and stability of the partnership process (Moynihan, 2005) but can also improve the extent to which major stakeholders such as employees can become actively involved in the change process (Kim, 2002; Thomas et al., 2009). Angwin et al. (2014) also posit that effective communication is an essential ingredient for knowledge transfer and integration of the partners’ corporate structures. According to Gomes et al. (2013: 21), effective communication and information dissemination means setting appropriate levels of expectations, communicating fairly, accurately and reflexively. It also means that the flow of information should be timely, continuous throughout the partnership process and coherent and not restricted to few isolated stages or moments prior and during implementation (Angwin et al., 2014: 6). The richness of communication is also dependent on whether the delivery is formal in a personalised form such as through face-to-face meetings, emails, and conferences or impersonal (Riad and Vaara, 2011). Personalised communication is believed to have a greater effect on recipients than the impersonal one (Marmenout, 2011; Angwin et al., 2014). This needs to be pursued systematically to ease tensions and uncertainty pressures that certain vulnerable groups such as employees are likely to experience particularly with respect to redundancies and other changes in working conditions. Indeed, empirical research suggests that honest information delivered to organisational members on a continuous basis is more likely to succeed than the one that stops at top management team (Angwin, 2000). Yet, top managers sometimes deliberately withhold information in order not to overwhelm employees on the proposed changes (Angwin et al., 2014). Thus, effective communication reduces any perception of uncertainty particularly among the employees (Weber et al., 2014). Ineffective communication can lead to loss of confidence, creation of rumours and fears that can be detrimental to the partnership process (Angwin et al., 2014). In terms of employees, any perceived fear of uncertainty resulted from ineffective communication can lead to the adoption of counterproductive measures such as non-co-operative behaviours that can consequently have detrimental effects on the partnership outcome (Moynihan, 2005). To establish whether information and communication problems would consistently underpin the partnership process, it is important to have some form of formal or informal working relationship such as joint project during the pre-negotiation / courtship process. This form of engagement has the potentials to improve partners’ mutual knowledge and understanding in relation to key issues underpinning the partnership particularly information asymmetry.

Stakeholders’ consultation is essential for effective partnership design. To a large extent, it influences how projects are perceived as originating from the collective representation of voices (Dundon et al., 2004). This gives the project some added credibility particularly in terms of trust and ownership (Harvey, 2007; Reed, 2008) and debunks any notion of self-imposition from those in power and authority (Lawton et al., 2000) and dominance of narrow interests (Banks, 2007). An all-inclusive consultation means a conscious and active involvement of the stakeholders in the partnership decision-making process (Irvin and Stansbury, 2004; see also Srivastava et al., 2006). Effective consultation also means openness (see Brewer and Hayllar, 2005) and the willingness to compromise in the search for the common good (Meardi, 2007). At the organisational level, this may depend upon the extent to which the organisational actors particularly employees are able to abandon their organisational identity, values or old working practices and accept the new ones governing the partnership (Angwin et al., 2014). This is important because according to Schweiger and Weber (1989), employees tend to demand more information and involvement during the pre-partnership phase yet; it is also the time information flow is limited for secrecy reasons. For example, there is the assumption that too much involvement and information dissemination in the early stages could have severe market consequences if the company or partner is listed in the stock market. Napier (1989) however, argue that consultation should be ongoing throughout the partnership process for the purposes of trust and unity and not limited or restricted to particular stages of phases (Angwin et al., 2014). Indeed, empirical evidence, suggests that frequent information after the partnership is critical for building trust (Nikandrou et al., 2000) and eliciting commitment from employees. Thus, an all-inclusive consultation process could constitute the basis for building effective partnership and enhance the extent to which the outcomes of projects can satisfy the wide range of stakeholders.

In spite of the intended benefits from consultation, many studies indicate that the voice of many stakeholders is marginalised in most partnership projects (Talbot, 2005; Mooney and Poole, 2005; Dibben, 2006; Whitfield, 2006; Schilling-Vacaflor, 2014; Angwin et al., 2014). Dibben (2006), for instance, argue that the voice of service users and in particular the poor and most disadvantaged members of society are often marginalised (see also Talbot, 2005; Mooney and Poole, 2005). Some studies also indicate that employees voice tend to be marginalised (Morgan and Zeffane, 2003; Meardi, 2007; Angwin et al., 2014). The main reason for the marginalisation is that reform guidance on consultation quite often appears to be vague (Boaz and Martin, 2000). This makes it difficult to define or determine those who are more likely to be excluded on the one hand and how to involve them in the decision making process on the other hand (Dibben, 2006). The difficulty potentially creates a vacuum which private companies use in their quest for efficiency and cost minimisation as a pretext to exploit by making unilateral changes to social services, with consequences on the local community (Dibben, 2006). Dibben (2006) further argues that the problems of the marginalised group are often compounded by the lack of choices of alternatives for service providers. In terms of social exclusion, several factors have been noted to influence decision making including income; skills, education, and training; health and disability; employment; housing and ethnic minorities among others (Dibben, 2006; Social Exclusion Unit, 2002). Pimbert and Wakefield (2001) also argue that some initiatives from below can be ignored by those higher in the hierarchy of power if they perceive it as sending ‘wrong message’ to other members of society. To improve the under-representation of voices in decision-making more innovative consultative approaches have been suggested including citizen juries, incentive structures in the form of positive discrimination, capacity building at local levels, changes in legislation (Lowndes and Sullivan, 2004; Dibben, 2006) through to participatory governance (Fung and Wright, 2003; World Bank, 2008; Wampler and McNulty, 2011).

The concept of participatory governance stipulates that citizens should play an active role in the decision-making process particularly on key political decisions that can severely impact on their lives (Gaventa, 2006; World Bank, 2008; Wampler and McNulty, 2011). It emerged amidst growing concerns that representative democracy is not sufficient to improve on the quality of service delivery, educate the public on national issues or ensure judicious use of scarce national resources (Fung and Wright, 2003; Santos, 2005). Wampler and McNulty (2011) posit that participatory democracy is not a rejection of representative democracy; rather it should be seen as an attempt to remodeling state structure and institutions to improve the quality of public service delivery (Wampler and McNulty, 2011). Baiocchi et al. (2011) argue that participatory institutions are very useful tools for improving political engagement in countries where liberal and democratic institutions are underperforming (see also Smith, 2009). This is of immense significance to developing countries confronted with a diverse range of socio-economic and political challenges including high and widening poverty, weak state structures and emergent of a vibrant civil society in which misallocation of resources can have severe impact on ordinary members of society (Wampler and McNulty, 2011: 3). Indeed, empirical evidence suggests that participatory governance has yielded some positive outcomes for public service delivery (Wampler, 2007). Wampler and McNulty (2011) argue that it has improved transparency and citizens understanding of the structure of government and the decision-making processes (see also Nickson, 2011). It has also opened up new communication avenues, forged closer ties and improved the interaction between citizens and government officials (Wampler and McNulty, 2011). Thus government officials, for example, gain valuable information on citizens’ demands particularly on the poor and most vulnerable in society while the citizens also acquire basic knowledge about the authority structures of the state, resource allocation and decision-making processes (Wampler and McNulty, 2011: 14). It has nevertheless been linked with the increasing cost of projects, particularly transportation cost and time commitment (Van Cott, 2008). In order for participation to be effective, a vibrant civil society needs to be created as part of the democratic structures to serve as an anchor for deliberation and mobilising members of the public to participate in policy-making processes (Alexander, 2006). The structures of the state and democratic arrangements also need to be expanded, decentralised and made accessible to every citizen (Isaac and Heller, 2003). Government officials also need to be more responsive to the citizens and ensure that the participatory process reflects on the broader issues on national development (Gaventa, 2006). Boulding and Wampler (2010) argue that the extent to which participation can generate the desired outcomes, particularly in emerging economies, depend upon how resources are available to local government bodies.

**2.5. Criticisms of privatisation**

The privatisation of public sector entities has generated a range of debates and criticisms. These include economic arguments such as whether water is a natural monopoly, and an economic or public good, and those related to the need to see water as a human right for service users.

**2.5.1. Water: a natural monopoly?**

One controversy surrounding privatisation centres on the perceived existence of a natural monopoly for the provision of certain public services (see Budds and McGranahan, 2003; Stratton, 2011). Writers who are sympathetic towards state provision of essential services such as water argue that its provision is underpinned by the characteristics of a natural monopoly (Marvin and Laurie, 1999; Budds and McGranahan, 2003). Primarily because it is less likely for competition to exit so that customers can switch to alternative providers if services are unsatisfactory. Also, it requires huge capital investment in plants, equipment, and networks. Yet, within the same geographical area for example, it is technically not advisable and economically inappropriate to invest in similar plants and equipment for the purposes of competition if there are any (Budds and McGranahan, 2003). However, it is worth noting that even if water provision is placed within the context of natural monopoly, it does not mean that the state/public should exercise such a monopoly (Stratton, 2011).

**2.5.2. An economic good or a public good?**

Another concern of privatisation relates to the ‘economic good’ or ‘public good’ debate. Simply put, an economic good is defined as any good or product with significant market value (Budds and McGranahan, 2003), in which prices are dictated by market forces (demand and supply). Prices of such goods are set based on the parameters of the cost of production and future expectations to guarantee a significant level of profit. This is arguably from a business or private sector perspective, which is potentially necessary to keep the business afloat. Yet, within the market or business context, individual customers quite often have freedom and flexibility to make choices and can switch across service providers whenever services are unsatisfactory (see Goldsmith and Page, 1997; Dodd, 2005).

The public sector, on the other hand, is set up to achieve among other things fair and equal distribution of national resources including water. It is therefore highly unlikely for any member of society to be excluded from participating in what has been developed by the state (Bannock et al., 1987; Budds and McGranahan, 2003). This is arguably why governments over the past have consistently subsidised, for example, the water sector by taking resources from other sectors of the economy so that people can possibly have what is acceptable level (Bakker, 2003b). It is in the context of the above that concerns have been raised that placing water delivery services into private or business sector would lead to the introduction of economic rates and potentially full cost recovery measures (Brocklehurst, 2002; Bond, 2004). This arguably would have far-reaching implications on the most vulnerable in society (poor). Partly because under the state subsidised regime of water supply services, the majority of rural and sub-urban people particularly in developing countries struggled and have fallen behind payments (see K'Akumu, 2006) due to poverty and other related issues (see Fosu, 2009). Introduction of economic rates would potentially worsen the existing unaffordability burden on the poor and potentially lead to more disconnections (see Majavu, 2009). As such, there is the possibility that those who cannot afford would be excluded based on the financial returns or profitability motive of the private operator. This has led to calls for the re-conceptualisation of the term economic good (Dublin Principles: WMO, 1992).

Nevertheless, it is equally worth noting that water is increasingly becoming a scare commodity. Some countries depend on others for water. The need for a credible programme of conservation and preservation is crucial for the sustainability of water resources for the current and future generations. It is perfectly legitimate depending on the context if water is view as economic good. This will allow a distinction to be made for example, based on geographical location, so that certain users are targeted to pay high rates while efforts are made to provide ‘safety nets’ to the most vulnerable in society (Rogers et al., 2002; Nickson and Vargas, 2002; Bond and Dugard, 2008). Therefore, some have argued that goods such as water should be considered as a ‘public good’. Public goods are defined as goods or services whose consumption is decided by society not by individuals and provided without profit to members of society (see Holcombe, 1997). They are presumed to have some unique characteristics including the fact that one person’s usage does not deprive others from using it. Also, if one person consumes, it is highly impossible to restrict others from consuming. Besides, individuals cannot abstain from consuming even if they wish to (Bannock et al., 1987). Thus, once they are produced there is arguably no practical way possible to restrict people who have not paid for its production from consuming (Holcombe, 1997; Ostrom and Ostrom, 2002). Critics of privatisation argue that such goods are very essential for human survival and therefore ought to be provided by the state (Budds and McGranahan, 2003). Part of this argument also relates to the contextual differences between the public sectors (provision of social services) for the maximisation of social gains (Lane 1995) in contrast to the private firms (maximisation of corporate profit) (Niskanen, 1973; Nutley and Osborne, 1994). Critics are concerned that involving the private sector in providing such goods might have far-reaching implications on members of society. Critics tend to reinforce their position and arguments by making references to instances where privatisation has had a seemingly negative impact on the most vulnerable in society. For instance, it has been noted that privatisation of water in South Africa led to job losses, work intensification and low wages, disconnections, rising water rates, poor service delivery and ultimately popular revolt (Bayliss, 2002; Bond, 2004). Similar instances of failures have been recorded in Conakry (Guinea) (Prasad, 2006), Kenya and Gambia (Bayliss, 2002). There have also been claims that privatisation led to corruption, non-compliance of a contractual agreement and environmental pollution (Davis, 2004).

**2.5.3. Human rights for service users**

One of the controversies surrounding privatisation relates to the notion of human rights to social services such as water, health, and sanitation (Capdevila, 2002; UNESCO, 2002; UNHCR, 2007). Proponents of human rights argue that provision of clean water, sanitation, and basic health care, which are vital components of everyday human life, should be affordable to all and not contingent on the individual’s ability to pay (Budds and McGranahan, 2003; Bakker, 2003b). This rights-based approach has been expressed in International Charters and Human Rights Conventions such as the Dublin Principles (WMO, 1992). The United Nations Committee on Economic, Cultural and Social Rights in 2002 issued a General Report declaring that water is not merely an economic commodity, and that access to water is a human right ‘The human right to water entitles everyone to sufficient, affordable, physically accessible, safe and acceptable water for personal and domestic uses’ (UNESCO, 2002).

Importantly, these acknowledgements by the international organisations did not provide specific guidelines regarding whether the public or private sector or a combination of both should provide water and sanitation. This is probably due to the sensitivity attached to water and individual rights. In addition, such a commitment might be interpreted as favouring politicians who might want to exploit it for political gains. Yet it does not also rule out the possibility of the private sector getting involved in delivering social services to the citizens.

Niskanen (1973) argued that the public sector became actively involved in the provision of certain services not entirely on the basis of human rights. Rather, it was based on certain assumptions: first, that society could not function collectively without provision of some goods and services such as water, health care, housing and many more. Second, was the presumed difficulty in defining the characteristics of those goods sufficiently to be able to contract for their supply (Niskanen, 1973). He argued further ‘the increasing dissatisfaction with the performance of bureaucrats in supplying some public services and the demonstrated success of private institutions should be a sufficient basis for more experiments in the supply of public services by private profit-seeking firms’ (Niskanen, 1973: 58).

**2.5.4. Examples of water privatisation in emerging and transitional economies**

There is a range of examples of instances where water privatisation did not deliver the intended benefits from Cochabamba (Bolivia) (Budds and McGranahan, 2003), Nkokebde (South Africa) (Bayliss, 2002), and Johannesburg (South Africa) (Bond, 2004). In the case of Johannesburg (South Africa), privatisation of water was a way of addressing the water accessibility gap left by the Apartheid (segregation) government. With the post-apartheid government firmly established, and the city quest of becoming a global competitor in terms of capital market and investment opportunities, expansion of social services, such as water, received priority on the government agenda. As in many developing or emerging countries, City Managers and the Government did not have the necessary funds to embark on the scale of infrastructure needed (Bond, 2004). As a result, they had to seek help from the World Bank and other development agencies particularly US AID and British Department of Foreign and International Development (DFID). Loans from these institutions often have conditionality attached (Kayizzi-Mugerwa, 2002). In Johannesburg, one of the Bank’s conditions was that water pricing should aim at full-cost recovery, thereby insisting on municipalities developing a credible threat of cutting services (Bond, 2004). There were job losses, poor wages, work intensification and stress, disconnection, high water rates and public outcry and demonstrations (Bond, 2004; see also Dibben et al., 2004). More crucial was the fact it could not expand the scope of service provision, which was one of the central aims of the privatisation endeavour. This consequently led to a change in direction and announcement by the government that ‘business, as usual, will not achieve the goals; we need to acknowledge the constraint and review the paradigms within which we work’ (Bond, 2004: 16). Water privatisation in South Africa also led to a complex chain of corrupt practices among top business executives and government officials and subsequently increased a project cost from R96.4-million to R502.6-million, in spite of the fact that the flow was erratic in some areas while many residents in smaller settlements in large swathes of the country also had water accessibility difficulties (De West, 2015). Private companies who were awarded contracts did not deliver because they had accomplices among local officials who provided the public with misleading information.

In Burkina Faso, one of the neighboring countries with Ghana in Sub-Saharan Africa urban water privatisation became part of the national development strategy following a series of performance problems by the utility (Ballance and Trémolet, 2005). The urban water supply in Burkina Faso was the sole responsibility of the National Water and Sanitation Authority (ONEA), a limited liability company (Societe d’Etat) tasked to produce and distribute water to the urban populace. The company’s operations consisting of 41 urban centres came under sustained pressure of performance problems, particularly in financial and commercial management. To address the problems in 2001, ONEA based on a belief in the efficacy of private sector management entered into a five-year joint service contract with two multinational companies: Veolia, an international water company, and Mazars & Guerard, an international auditing firm to oversee the management of the water sector. The overall objective of the partnership was to extend coverage of water delivery to the majority of urban users. To achieve this emphasis was placed on improving the financial viability of ONEA through commercialisation and schemes of performance management. However, post-privatisation experiences suggest that the outcome was very disappointing in critical areas where improvements had been anticipated. For instance, service coverage was very high on the privatisation agenda, yet, it was estimated that only 20% of the population in ONEA’s service area had access to potable water connection. To compensate for the low coverage, ONEA embarked on the policy of developing standpipes that led to additional 50% of the population in the service area being served. In spite of this effort, service coverage was low primarily because the standpipes were not evenly distributed in the service area. It has also been claimed that the company’s financial and commercial performance during the contractual period was very weak and disappointing. Other empirical studies also indicate that privatised companies are unresponsive to customer complaints (Alcázar et al., 2000). For instance, Alcázar et al. (2000) observed that unattended customer complaints, and in particular water leakages, reached as high as 7000 after water privatisation in Buenos Aires, Argentina.

In spite of the criticisms and problems that have been associated with privatisation, there have been claims of some modest gains from water privatisation in some transitional economies (Earhardt et al., 2011). In Bucharest (Romania), for instance, efficiency gains were recorded after a concession contract signed in March 2000 aimed at improving service in the utility’s abysmal performance. Under the private operator, quality improved above Romanian standards and toward Western European levels. It is estimated that by 2008 efficiency gains had produced cost savings totaling US $349 million. The concessionaire financed US $259 million in investment, without public subsidy, while also keeping tariffs well below the Romanian average (Earhardt et al., 2011). The Bucharest success was contingent on three key factors: first, the commitment shown by the private operator (Apa Nova Bucharest), a subsidiary of international water operator Veolia that led to investment in new equipment that increased employee safety and productivity. Second, improved relations resulting from a delegation of more responsibility to the staff and third, as part of the social plan included in the concession contract, Veolia sold 10 percent of Apa Nova’s shares to staff in 2007. This sale consequently brought staff members into a partnership with Veolia as equity holders and improved relations between management and the staff (Earhardt et al., 2011).

In summary, NPM reforms emerged in the OECD countries in the West to address socio-economic challenges including: inflation, unemployment, trade union influence and welfare and benefit related issues (Nutley and Osborne, 1994; Borins, 1997; Batley, 1999; Lane, 2000; Christensen and Laegried, 2007; Eliassen and Sitter, 2008). Most authors argue that public choice theory provided the intellectual legitimation for the emergence of NPM into the public domain (Van den Berg, 2004). Public Choice theory (PCT) involved the use and application of economic principles to the study of public institutions and behaviours of public officials (Harris and Seldon, 1987; Farnham and Horton, 1993; Lane, 1997; Jackson, 2003; Bovaird and Loffler 2003). The overall objective of PCT was to reduce the size of the state assumed to be too large and to allow market or private sector play a major role in public resource allocation. The principles associated with Public Choice Theory have underpinned NPM (Lane, 1997; Jackson, 2003; Vining and Weimer, 2005). As a result, different models of NPM reforms including privatisation and public-private partnerships, managerialism, and consumerism have been implemented across a diverse range of socio-economic settings within countries in the OECD and some emerging economies or countries. The extent of implementation, style, and impact of NPM reforms though have differed. Within the OECD, countries have adopted specific components of NPM reforms that are compatible with their public management models and institutional arrangements (Hall and Soskice, 2001; Pollitt and Bouckaert, 2004; Christensen and Laegried, 2006). However, due to contextual differences between public (maximisation of collective gains) and private (maximisation of corporate profitability) aims, critics have raised concerns about the implications of the promotion of private sector management practices into public institutions (Harvey, 1997; Lane, 2000; Bovaird and Loffler, 2003; Barry, 2005; Flinders, 2010) particularly on employees and users of public services (Bond, 2004; Dibben et al., 2004).

In common with most NPM reforms, privatisation was based on certain core assumptions including the quest for profitability, efficiency, quality and competition in public service delivery (Vickers and Yarrow, 1988; Jackson and Price, 1994; Lane, 1997; Denkhaus and Schneider, 1997). Yet, evidence of post-privatisation performance presents mixed messages. Critics have consequently attacked the values underpinning privatisation (market mechanisms) (Lane, 1997, 2000; Meier, 2000) in the light of its implications on ordinary citizens particularly the most vulnerable in society (Bond, 2004; Dibben et al., 2004). Yet, others view privatisation as a form of partnership between public and private sector working together to improve public service delivery that can have positive advantages for the range of stakeholders involved (Hodge and Greve, 2005; Klijn and Teisman, 2005; Gomes and Montanheiro, 2011).

**Chapter Three**

**The historical, socio-economic and political context, public sector management, and formal and informal institutions in Ghana**

**Introductio**n

Since independence from the British in 1957, different models of public sector management have been explored in Ghana to deal with the wide range of socio-economic challenges. In most cases, the approach and the extent of the implementation have tended to reflect not only the ideology of the government in power but also the ambitions of the leadership (Killick, 1983). This approach to public sector management has created tensions and social divisions that have culminated in frequent changes in government (civilian elected and military) (Adu-Boahen, 1992). However, the changed approaches to public sector management have also been coupled with management related issues such as corruption (Austen, 1987; Osei, 1999). Together, these factors have contributed significantly to Ghana's worsening fiscal and financial difficulties. As a result of these difficulties, governments in Ghana have pursued NPM-style reforms such as liberalisation and privatisation.

This chapter begins by exploring the political economy of Ghana from pre-colonial times through independence to the present era. It then evaluates different models of public management used by successive governments, and the causes of public sector performance problems, relating these to the role of formal and informal institutions. Formal institutions here include government regulation, international institutions, trade unions, and NGOs. Informal institutions, on the other hand, include the norms and rules of behaviour that various actors (including employees) follow.

**3.1. The political economy of Ghana**

The political economy of Ghana since independence from the British in 1957 until the early 1990s demonstrated a mixture of polarisation and divisional politics, a weak public sector, over-reliance on the state sector, over-reliance on the agricultural sector primarily cocoa (Kay, 1972), a dependency culture (Howard, 1978), the aggressive pursuit of development projects and political instability (Adu-Boahen, 1992). The cumulative effect of the simultaneous manifestation of these powerful forces (factors) on the evolving economy resulted in what has been described broadly by some commentators as economic mismanagement (Pellow and Chazan, 1986; Frimpong-Ansah, 1991). While some of the above characteristics have influenced current economic and political life, Ghana has enjoyed relative stability since 1992, after a return to constitutional rule.

**3.1.1. Colonial and pre-colonial era**

Ghana is well endowed in natural and mineral resources including, gold, diamonds, timber, cocoa and the recent discovery of oil and gas. These resources drew the attention of European traders to the shores of the Gold Coast, now known as Ghana, in the 15th century (Newbury, 1971; Howard, 1978). Trade, including many of the above resources, and also slaves, was carried out between the indigenous Ghanaians and the Europeans. First, trade was with the Portuguese (Williams, 1976), followed by the Danes, the Dutch and the British - which consequently resulted in the colonisation by the British (Howard, 1978). Formal colonisation did not take place until 1896 after the British had defeated the Ashantis (also known as Asante) and neutralised their power base. Before that time, social provisions and political activities were organised along sectional/divisional or tribal lines with the Ashantis controlling and dominating trading. British attempts at colonisation were constantly met with hostile confrontation by the Ashantis who had hitherto established supremacy over the land through conquest and warfare (STAR-Ghana, 2011). The British colonisation campaign in Ghana was therefore gradual, painstaking and incremental. However, it has been argued that alignment with the British by the neighbouring tribes for protection against Ashanti aggression and domination was crucial for the British success (Adu-Boahen et al., 1987). By 1946, the Gold Coast (Ghana) was under full British rule and consisted of four areas: a settled colony governed under the British Settlement Acts, the colony of Ashanti (a conquered colony by virtue of prerogative), the Northern Territories Protectorate, and the mandated or trust territory of Togoland (governed under the Foreign Jurisdiction Acts) (STAR-Ghana, 2011).

The above developments had two important implications that were to become key underpinnings of public management and political organisation in Ghana. First, the British administered their policy of 'Indirect Rule'. Indirect Rule can be described as the system in which the day-to-day government and administration of the colonies were left in the hands of traditional rulers, who gained prestige, protection and other benefits from the colonial master (British, French and so on) (Crowder, 1964; Derrick, 1983; Collins and Burns, 2007; Broussalian, 2011). Thus, while the powers of the chiefs had been weakened in one sense by colonial influence, the indirect rule also elevated them to privileged positions. But more crucially, it undermined all forms of traditional social groupings and formations that should have acted as a 'springboard' for local initiatives and creativity (Spear, 2003). The second but arguably more contentious impact is that it led to the creation of politics of division along regional or tribal lines (STAR-Ghana, 2011) and the formation of a class system (Howard, 1978), the consequences of which are still observable in Ghanaian body politics (Arthur, 2009).

Ghana is a multi-ethnic country with over 100 different languages and is divided into ten administrative regions (Ghana Statistical Service, 2000). The administrative boundaries are to a large extent an extension of initial colonial boundaries and a reflection of the major ethnic distribution of the population. However, there are five major ethnic groups (Akan, Ewe, Mole-Dagbane, Guan, and Ga-Adangbe) that makeup of about 86 percent of Ghana's population. Within each major group are further sub-divisions that significantly tend to relate to each other in terms of cultural heritage, history, language, and origin. The Akan group, for example, makeup of about 49 percent of the population and inhabit five out of ten Ghana's regions: Ashanti (Asante), Western, Central, Eastern and Brong Ahafo.

The economy of Ghana before it was incorporated into the British Empire was dominated by subsistence agriculture upon which very few monetary exchanges took place (Howard, 1978), primarily because the system of land ownership had not entailed the appropriation of economic surplus (Hymer, 1970; Howard, 1978). As a consequence, the economic system, production, and the distribution process were based on simple techniques (Szereszewski, 1965). However, between 1891 and 1911 the economy was transformed by the exploitation of mining (mostly gold) and agriculture (cocoa), marketed through expatriate trading firms (STAR-Ghana, 2011). Capital investment in infrastructure (primarily roads and railways) in the economically productive interior facilitated commodity transportation and preservation of order. These changes brought significant improvements in revenue generation through import and export duties (STAR-Ghana, 2011). Yet, they also exposed the Ghanaian economy prematurely to outside influences which impeded social development. The revenues obtained from the exploitation of resources arguably could have been used to develop every part of the country. Yet, because of the British quest to conduct the campaign at least cost to the British taxpayer (Sederberg, 1971) they failed to fulfil their societal responsibilities. In common with certain other countries in Africa, Ghana’s usefulness was perceived in terms of the exploitation of resources, rather than for settlement (Acemoglu and Robinson, 2013). According to Sederberg (1971), the Gold Coast government functioned much like a ‘night watchman’ concentrating on the preservation of law and order and providing only those services and infrastructure deemed absolutely necessary for the exploitation of the country. It has been argued that the Northern part of Ghana had potential in terms of shea-butter, rice, millets and livestock production, yet, due to the nature of investment and probably the timing of the expected returns, that section of the country was totally neglected (STAR-Ghana, 2011). Instead, the north served as a source of cheap labour for the gold mining and cocoa farming regions to the south and as recruiting grounds for the army and police. Exploitable minerals and exportable cash crops were available or readily produced in the south (gold-rich Ashanti and Western Regions and cocoa-growing districts of Eastern, Central, Western and Ashanti). Moreover, there was no or minimal state involvement in education, agriculture, and industry (Howard, 1978). It could be argued therefore that to some extent colonial policies in Ghana gave certain people or ethnic groups’ advantages over others (see Jhatial et al., 2013). The influence of this phenomenon is still observable in Ghanaian social and economic structures. From the economic dominance perspective, for example, it could be argued that colonialism gave some advantages to the southern parts of Ghana while the Northern parts have also had some advantages in public sector employment, particularly in the military and police services. Thus, whereas the south became the focus of the economy and business – capital accumulation and development- the north was used as a recruiting ground for public /civil servants.

As the events in the country unfolded, a few young men and women who had the chance to be educated and wanted to play an active part in the development process began to vent their frustration on the colonial government regarding the lack of opportunities. The primary reason for their dissatisfaction was the fact that key jobs, including those within local authorities, were significantly dominated by British expatriate officers (Howard, 1978). As the pace of the nationalist movement gathered momentum, the Gold Coast’s first political party, the United Gold Coast Convention (UGCC) was formed in 1947 by a group of local lawyers and merchant classes. The launch of the UGCC coincided with the end of the Second World War, and as a result, the movement was able to mobilise returning soldiers who also felt a sense of hopelessness; the UGCC consequently consolidated their political (power) base (Milburn, 1977). The main aim of the UGCC was to ‘ensure that by all legitimate and constitutional means the direction and control of government should pass into the hands of the people and their chiefs in the shortest possible time’ (Drah, 1992: 12). Nkrumah became the General Secretary of the UGCC and was very influential in mobilising the youth wing of the party. However, due to ideological and organisational differences, he broke away with the youth wing of the UGCC, the Committee on Youth Organisation (CYO) and formed the more militant Convention People’s Party (CPP) with Nkrumah as its leader. Unlike the UGCC that had argued for ‘self-government’ in the shortest possible time, the CPP’s main objective was ‘self-government now' (McLaughlin and Owusu-Ansah, 1994; Botwe-Asamoah, 2005). Nkrumah’s charisma, leadership and organisational tactics coupled with his anti-colonisation messages attracted much populace support and he consequently used the decolonisation struggle for his benefit. The British government finally yielded to demands for constitutional reforms in the Gold Coast. Following advances in constitutional reforms, the Gold Coast had its first democratic election which was won by Nkrumah and his CPP party. Consequently, on March 6, 1957, Ghana gained independence from the British (Howard, 1999; Leith and Soderling, 2003; STAR-Ghana, 2011).

**3.1.2. Post-independence: key economic features**

In order to understand the political economy of post-independence Ghana, it is important to highlight the key features of the Ghanaian economy at the time of independence. Firstly, Ghana had a vibrant exporting sector and was a leading exporter of cocoa (Dzorgbo, 2001). The Cocoa Marketing Board (CMB) which had been set-up in the early 1950s had also accumulated a significant amount of reserves (STAR-Ghana, 2011). Consequently, by the late 1950s, Ghana was exporting annually an average of 370,000 tons, accounting for as much as 50% of the Gross Domestic Product (GDP) (Milburn, 1977). Ghana also mined 1/10th of the world gold at the time of independence (Leigh, 1996), and other mineral deposits including aluminium, diamond, bauxite, and manganese had been discovered. According to the US State Department, apart from the substantial physical and social infrastructure, Ghana had $481 million dollars in foreign reserves (see also Dovi, 2010). Besides, Ghana was at the forefront of human resource development. The country had more schools and better health services than any other British territory in Africa (Milburn, 1977), together with a prosperous middle class of rural capitalists and a few but skilful administrative elites with an incredible sense of dedication (Dzorgbo, 2001). It is arguably the above characteristics, and particularly who controlled and benefited from the cocoa reserves (proceeds) and other minerals that defined the political struggles of post-independence Ghana to the present.

**3.1.3. Post-independence political struggles**

It has been argued that farmers’ opposition to the accumulation of cocoa reserves by the Cocoa Marketing Board constituted a critical component in the national grievances and aspirations that helped Nkrumah into office (STAR-Ghana, 2011). As part of his campaign strategy, Nkrumah promised in the CPP manifesto that farmers would be given control over the funds of the board. Yet, the CPP manifesto also outlined an ambitious development programme for the country that was to be paid for through the available funds (cocoa reserve) and subsequent taxation from the sector (Bennett, 1973). This contradiction probably marked the beginning of Nkrumah’s trouble soon after assuming office in 1957. Nkrumah could not keep to his promise when confronted with the economic realities in relation to his ambitions. Rather, total payments to cocoa producers not only stagnated, during the early years of Nkrumah but also declined (Fieldhouse, 1986). These developments created political tension in the country and consequently led to the formation of a new powerful opposition movement, the National Liberation Movement (NLM). The NLM was formed in Ashanti and had strong support in cocoa producing areas. Nkrumah, unperturbed by the opposition threat and his desire to carry out his socialist development agenda, expanded the scope of the public sector at an incredible pace. Meanwhile, the main source of financing for public sector expansion was through revenues from the cocoa proceeds (Bennett, 1973). Consequently, following a drop in cocoa prices in the world market due primarily to oversupply from Ghana, a crisis was triggered in the economy. To manage the worsening fiscal and dwindling foreign exchange problems, austerity measures, primarily in the form of import control, were introduced. The fiscal crisis also fuelled inflation and provided a platform for widespread bureaucratic corruption (Pellow and Chazan, 1986; Austen, 1987; Osei, 1999). As public discontent intensified among the politicised urban populace (STAR-Ghana, 2011), Nkrumah responded by passing various laws including a Preventive Detention Act 1964 and abolished the constitutional scheme requiring power-sharing between the central government and regional assemblies. Other measures included suppression of opposition activities and transferring the beneficial interest in ‘stool’ lands from chiefs to the government. The final straw of Nkrumah’s leadership came when he outlawed all forms of opposition in 1964, paving the way for the establishment of a one-party state in Ghana. Finally, in February 1966 Nkrumah was overthrown by a military coup. Arguably, the most striking part of Nkrumah’s overthrow was that, at the time of the coup, Ghana’s external assets (reserves), which stood at around $500 million at independence, had been depleted (Leith and Soderling, 2003). Secondly, even though Ghana did not have any external debt at the time of independence, in 1957, in 1966 Ghana’s external debt was estimated at $790 million (Leith and Soderling, 2003). There is an indication therefore that a public management crisis emerged soon after independence.

After Nkrumah’s overthrow, for over 30 years Ghana continued to experience an alternating sequence of military-cum-civilian elected governments until 1992. Thus, the post-independence era stretching from 1957 up to 1992 is most often referred to as the period of political instability (Adu-Boahen, 1992). However, from 1992 to the present time Ghana has had relative stability and constitutionally elected governments. The political developments in Ghana from the pre-colonial era to the current state are represented in table 3.1 below. Key issues underpinning each leadership that are relevant for this research will be explored further under the section on public sector management.

Table 3.1. Political Developments in Ghana since colonialism

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Nature of Government | Name & Leadership | Public Management  Approach | Period | |
| Pre - Colonial  (Small States) | Largely under Ashanti Empire | Chieftaincy | From | To |
| Early 1700s | Late 1800s |
| Colonial | British | Colonialism | Late 1800s | March 1957 |
| Civilian | CPP – Nkrumah | Socialism | March 1957 | Feb 1966 |
| Military | NLC -- Ankrah & Afrifa | Social Democrats | Feb 1966 | Oct 1969 |
| Civilian | PP – Busia | Liberalism | Oct 1969 | Jan 1972 |
| Military | NRC & SMC –  Acheampong & Akuffo | Social Democrats | Jan 1972 | Jun 1979 |
| Military | AFRC – Rawlings | Social Democrats | Jun 1979 | Sept 1981 |
| Civilian | PNP – Limann | Social Democrats | Sept 1981 | Dec 1982 |
| Military | PNDC – Rawlings | Social Democrats | Dec 1982 | Jan 1993 |
| Civilian | NDC – Rawlings | Social Democrats | Jan 1993 | Jan 2001 |
| Civilian | NPP – Kuffour | Liberalism | Jan 2001 | Jan 2009 |
| Civilian | NDC – Mills | Social Democrats | Jan 2009 | July 2012 |
| Civilian | NDC – Mahama | Social Democrats | July 2012 | Present |

\* All the civilian governments are constitutionally elected governments

(Source: Author, drawing on various texts, as outlined above)

In summary, the economy of Ghana before colonialism was primarily based on subsistence farming (shifting cultivation) with minimal monetary exchanges (Szereszewski, 1965). Ghana also consisted of small states that were dominated by the Ashantis (Asante). However, the economy was expanded and integrated into the world economy during colonialism by the British (Howard, 1978). Consequently cocoa and gold became the main export commodities yielding huge sums of money to the colonial government. Yet, it has been claimed that infrastructural developments such as roads and railways were only concentrated in gold and cocoa-rich areas to facilitate the extraction of raw materials (Sederberg, 1971). By the time of independence from the British in 1957, Ghana was the world leading exporter of cocoa and had a significant amount of money in reserves. However, post-independence economic policies and political instability coupled with public management practices brought the economy to its 'knees' (virtual collapse).

**3.1.4. Institutional foundations for Ghana’s relative stability in the region**

Unlike some post-colonial countries in sub-Saharan Africa where the institutional structures deteriorated at some point and resulted in tribal/ethnic conflicts and civil wars (Howard, 1999), Ghana has successfully managed to contain any such tendencies. There are no clear-cut explanations in Ghana’s development discourse; however evidence in the existing literature suggests that it might be related to issues that can be divided broadly into two somewhat connected reasons. The first is the nature of colonialism in Ghana and in particular the nature of indirect rule system that evolved. The second relates to post independent economic and development policies of successive governments.

As mentioned earlier in section (3.1.1), indirect rule is a system in which the day-to-day government and administration of the colonies were left in the hands of traditional rulers who gained prestige, protection and other benefits from the colonial master (British, French and so on) (Crowder, 1964; Derrick, 1983; Collins and Burns, 2007; Broussalian, 2011). This system was strategically pursued by the colonial masters in order to provide the peace and stability needed for the exploitation of the colonies (see Crowder, 1964). Although the indirect rule system had negative exploitative effects, it also had more beneficial (or at least, less malign effects) than the direct rule (Spear, 2003; Iyer, 2010). For example, in colonial India, areas covered by indirect rule ended up with greater levels of physical and human development than direct rule areas (Spear, 2003; Iyer**,** 2010).And, as the work of Fanon alerts up, the greater the colonial intrusion, the greater the negative personal effects on the colonised (see Burke, 1976, Nesbitt, 2012). Similarly, in Ghana, while the powers of the chiefs were weakened in one sense by colonial intrusion (Ayittey, 2006), the indirect rule also elevated them to privileged positions. More significantly, it did not destroy the traditional management (chieftaincy) structures that until colonialism had overseen the management of the colonies (Apter, 1960; Spear, 2003; STAR-Ghana, 2011). It also provided Ghanaians with the opportunity to engage in trading, which subsequently led to an emergence of elite and middle classes who were able to send their children overseas for higher education. The overseas education exposed the students to many ideas, values, and structures including issues of freedom, non-violence, democracy, equality and fairness (Howard, 1999; Meng, 2003). When these people returned and joined the political struggle for independence, they did not depart from the democratic/non-violent principles. Instead, they committed themselves to use peaceful, legitimate means. Thus, in spite of Ghana consisting of different ethnic groups, they co-existed peacefully and united with a common voice to gain independence. The indirect rule system thus provided Ghana with the opportunity to acquire inclusive democratic values and preserve and develop structures which were to become the key underpinnings of post-independence peaceful co-existence.

The second potential reason is the post-independence institutional reforms by successive Ghanaian governments which have focused on building an all-inclusive peaceful and stable society by bridging the inequality gap, particularly the north-south gap and between urban and rural communities as well as minimising ethnic/tribal tensions (Rothchild, 1978; UNDP, 1997). It would be inappropriate to list all the policies and programmes that successive governments have implemented. However, observers believe that specific development programmes have contributed to Ghana’s peaceful co-existence since independence to the present time. The policies have included institutional reforms that have emphasised decentralisation and democratic values such as fairness, both in political associations and in public bureaucracy, and affirmative action initiatives in the distribution of government-controlled resources (Asante and Gyimah-Boadi, 2004). In particular, it has been argued that the decentralisation programme has been very influential in contributing toward Ghana’s stability and peaceful co-existence (Aryee, 1999; Gyimah-Boadi, 2003). The democratic values that it also seeks to promulgate include popular participation, empowerment, transparency, equity and stability among others (Ayee, 1999). This has led to power, authority and responsibility being transferred from the central government to local and district levels. It has also helped to bridge the inequality gaps existing across communities in the country, particularly in terms of health and education (Gayi, 1995; Konadu-Agyemang, 2000).

In addition to specific programmes, the democratic structures including the 1992 constitution of Ghana have also been credited with contributing toward peaceful relations within the country. These structures have emphasised freedom of association and the press, religious tolerance and anti-discrimination, and fair representation in central bureaucracy and national politics. They have therefore also been linked to consensus building for national unity and development (Gyimah-Boadi, 2003: STAR-Ghana, 2011). The constitution, for instance, stipulates that every citizen of voting age has the right to form or join a political party. It, however, prevents the formation of political parties along sectarian lines. It also demands fair representation of ethnic and regional communities at the top level of political parties and in public bureaucracies. Indeed, a 2003 review of the ethnic background of members of the National Executives of two main political parties, the NPP and NDC, shows that different ethnic groupings are fairly represented (Asante and Gyimah-Boadi, 2004).

Others have also pointed toward ‘affirmative action’ initiatives that have featured in economic and social policies of some governments including the NPP Ghana Poverty Reduction Strategy Paper (GPRSP), and the NDC ‘free, compulsory and universal basic education’ (FCUBE) (Asante and Gyimah-Boadi, 2004; Maikish and Gershberg, 2009; Anlimachie, 2015). These policies, and in particular the education system, are believed to have brought people from diverse regions and ethnic backgrounds together to develop friendships that have contributed to peace and stability in the country (Osei and Brock, 2009; Morley et al., 2009; Addo, 2010). More importantly, they have offered Ghanaians, irrespective of social or economic status, and particularly those in rural areas, the opportunity to have a voice on national policies. Others nevertheless have argued that the authoritarian management tactics used by some political leaders particularly during the period of military interventions also helped to maintain peace and stability in the country (Adu-Boahen, 1992; Gyimah-Boadi, 2003; Asante and Gyimah-Boadi, 2004; STAR-Ghana, 2011). Yet, such an argument does not account for the peace and stability that Ghana has enjoyed after a return to constitutional government in 1992. This highlights the difficulty of knowing the main reasons behind Ghana’s relative stability in the region. However, it could be argued from the discussions above that the opportunities provided by the indirect rule system combined with post-independence institutional reforms have contributed toward the peace and stability that has underpinned the political economy of Ghana to the present day.

**3.2. Public sector management in Ghana**

The origin and involvement of public sector organisations / state enterprises in the development management process in Ghana date back to colonial times. Public organisations were established by the British colonial government to act as agents of change in an increasingly volatile environment and to ensure the successful implementation of colonial policies. Their main functions included extraction of raw materials, conscription of labour and provision of basic goods and services, largely in the urban centres (Sederberg, 1971; Howard, 1978). Provision of essential services such as water was intended to meet the needs of the colonial administrators and their companions who were living in fortified castles and forts, mainly along the coastal towns. However, in the real sense of industrialisation very little was undertaken by the colonial administration. This was dramatically changed when the nationalists led by Nkrumah took over in 1957 after independence.

Nkrumah’s period arguably marked an important ideological shift in policy concerning the extent of state engagement in the management of the economy of Ghana. Nkrumah’s conviction about socialism was deepened following his visit to the Soviet Union (Russia) soon after assuming office in 1957 (Killick, 1978, 1983). The direct result of his socialist policies was the proliferation of state enterprises in Ghana in the 1960s which brought about direct state participation in economic activities and the subsequent industrialisation policy pursued by the Convention People’s Party (CPP). State Enterprises were to be seen as a catalyst for change and played a dominant role in the economy. The intensity of state engagement in the economy was due to the fact that most goods and services were deemed to be better provided by the state on the basis of natural monopoly arguments (Marvin and Laurie, 1999; Budds and McGranaham, 2003). Legitimacy was also gained from the prevailing theoretical underpinnings of economic development, with arguments for strong state engagement due to market failures, equity-related issues and so on (Fuest and Haffner, 2007; Equavoen and Spalthoff, 2008). Yet, according to Killick (1978), state engagement was principally due to the absence of an effective and capable local entrepreneurship and the fears of the CPP government that entrusting the central role of the economic and social reconstruction into the hands of foreign capital would amount to neo-colonialism.

The desire for state engagement is also believed to be partly caused by the bitter experience that Ghanaians went through under colonial rule (Sederberg, 1971). The extent of neglect and exploitation led to the conviction that the interest of Ghanaians would be better served by Ghanaians without necessarily relying on foreign capital and expertise in Ghana’s economic activities. The rate of expansion in the economy was so massive that it overwhelmed the existing institutional and human resource capacities and capabilities. As a consequence, state enterprises did not make any meaningful contribution to the economic reconstruction process since they only existed to provide employment avenues for the labour market and party loyalists in particular (STAR-Ghana, 2011). It is on record that between 1957 and the end of 1966, employment in public sector corporations increased more than 10-times, rising from 11,052 to 115,826 (Adda, 1992). These enterprises over the years were characterised by massive operating losses, arising out of under-utilization of capacity and low productivity, huge debts and serious liquidity problems. Thus, state-owned enterprises were operating at less than 30% capacity due primarily to a chronic shortage of inputs and spare parts (Bennett, 1973). Due to these difficult circumstances, state enterprises became a financial burden on the state’s dwindling resources instead of generating revenues and laying the foundations for future growth and prosperity. The role of state enterprises, therefore, impacted negatively on the performance of the Ghanaian economy, which had been characterised over the years by high inflation, the balance of payment problems, high unemployment, and low productivity and Gross Domestic Product (GDP). This undoubtedly brought a lot of pressure to bear on successive governments that came to power after the overthrow of Nkrumah’s regime in 1966.

The policies of successive governments after 1966 showed inclinations toward either liberalism or socialism or a combination of both, according to the ideological position of the ruling government. Whereas some governments were keener to liberalise the economy by encouraging private sector participation, others emphasised the need for the state to play a central role in the economy. For example, soon after the overthrow of Nkrumah’s government in 1966, the government of the National Liberation Council (NLC) offered 30 state enterprises for sale. However, only three were acquired, while the rest were unattractive to the private sector because they were assumed to be unprofitable (Appiah-Kubi, 2001). Even the three that were acquired were later abandoned because they could not be transformed into viable and profit-making ventures (Pozen, 1976).

The Busia government after NLC which was liberal by inclination also attempted to reduce the size of the state in a variety of ways. The first was to cut down the size of the public sector, an action that was ruled by the courts as unconstitutional. Nevertheless, the Busia government ignored court orders and dismissed 568 public officers (STAR-Ghana, 2011). Significantly, most of those affected by the dismissal order was believed to be non-Akan or opposition party sympathisers. The move seems to have dented Busia’s democratic credentials and added to the perception of non-inclusiveness, tribal or divisional politics (Marshall, 1997; see also STAR-Ghana, 2011). He also aimed to abolish vehicle maintenance allowance for civil servants and the military and introduced a national development levy to make up for the loss of government tax revenue from reduced cocoa exports. Other measures included: the introduction of an interest-free loan scheme for university students to pay for a portion of residential costs of university education, and devaluation of the cedi by 44% in December 1971 (see Leith and Soderling, 2003). Based on these measures, Busia’s unpopularity soared and he was finally overthrown by a coup d’état in 1972.

The period after 1972 witnessed an interventionist approach in policy when the government of the National Liberation Council (NLC) took over the management of the economy. The new government, in the quest to fully engage the state in economic activities, shifted the policy focus to enable the state to gain greater control of the economy. In doing so, a number of austerity measures were undertaken including the pursuit of the often cited ‘Operation Feed Yourself’ programme (Marshall, 1976; Adda, 1992). As a policy to boost domestic food supply, the Operation Feed Yourself (OFY) is widely believed to have had tremendous initial success. According to Marshall (1976), maize and rice production increased from 53,000 tons and 11,000 tons respectively in 1971 to 61,000 tons and 43,000 tons respectively in 1972. Yet it has been argued that by 1977 'there were severe shortages not only of imported foods such as sugar and milk but also, for the first time, of staple foods including maize, rice, gari, cassava and plantain' (Howard, 1978: 225). Thus, the period 1972 to 1979 is believed to have been one of the worst economic performances in the history of Ghana (Adu-Boahen, 1992). It was the period when the word 'Kalabule’ (literally translated if you cheat me, I will cheat you) entered into Ghanaian conversations and unleashed a devastating onslaught on all fabrics of social and public life, the consequences of which persisted in the Ghanaian public administration systems (Adu-Boahen, 1992). Bribery and corruption were at its peak, productivity was low, and the balance of payment deficit was worsening (Austen, 1987; Adu-Boahen, 1992), yet the governments continued to maintain non-performing state enterprises.

The cumulative effects of the socio-economic and political upheavals provided a perfect opportunity for the June 4, 1979 uprising led by J. J. Rawlings and his Armed Forces Revolutionary Council (AFRC). The AFRC leadership, after barely three months in office, handed over the management of the economy to a constitutionally elected government led by Dr. Limann on 21st September 1979. However, Limann’s administration was short lived when after a period of 27 months it was overthrown by Rawlings and his newly constituted Provisional National Defence Council (PNDC) on December 31st 1981. The PNDC government remained in power until 1992 when the Ghanaian presidency changed its name to become the National Democratic Convention (NDC) and subsequently, although this was contested, won the 1992 presidential and parliamentary elections. Rawlings and his NDC government continued to dominate the political scene until they were finally defeated in the 2000 general elections.

The Rawlings era demonstrated a mixture of both capitalism and socialism in terms of policy (Gyimah-Boadi, 1991). Initially apprehensive about private capital, the Rawlings government added a number of new companies to the already crumbling state-owned enterprises, when it confiscated the assets of a number of companies, including Darkman Farms, Darkman Houses Properties, Ghana General Establishment, Kool Bottling Company, United Soaps Industries and the Trans African Engineering and Motors and others (Adda, 1992).

By the end of 1981, the Government of Ghana had accumulated a large portfolio of State Enterprises whose continuous poor financial performance had become a threat to the economic stability and development of the country. Between 1980 and 1982, government subsidies, subventions, and loans to the State Enterprises were at an all-time high, averaging around 12% of the total government expenditure (Gyimah-Boadi, 1991; Adda, 1992). Additionally, these enterprises were heavily indebted to the government as well as to themselves. For instance, eighteen of these enterprises owed among themselves and the government, 502 billion and 400 billion cedis respectively (Adda, 1992; Gyimah-Boadi, 1991). Similarly, according to the World Bank (1995), by 1983 Ghana’s external and domestic outstanding debts of non-financial public enterprises accounted for over 19.3% and 32.3% of the total outstanding external and domestic debts respectively. At the launch of the Economic Recovery Programme (ERP) in 1983, there were more than 340 state-owned enterprises, comprising statutory boards, authorities and corporations and operating in the mining, energy, financial, communication as well as the utility sectors of the economy (Adda, 1992).

**3.3. Public sector management in Ghana: the role of formal and informal institutions**

Crises in public management in Ghana became a major development issue soon after independence from the British in 1957 (Leith and Soderling, 2003; STAR-Ghana, 2011). The crises have been linked to a wide range of issues that can be broadly categorised into external and internal factors. External factors include colonial legacies and post-colonial influence on public management in Ghana, and the influence of international institutions. The internal factors include structure of public management, institutional arrangements and capacity issues; Western versus traditional practices; cultural and tribal influences; and corruption and mismanagement (Greenstreet, 1973; Killick, 1978; Woode, 1997; Appiah, 1998).

**3.3.1. Colonial legacies and post-colonial influences on Ghana**

As mentioned earlier, before colonialism Ghana consisted of small states of different tribes with trade predominantly controlled by the Ashantis. After colonialism, Ghana was divided into four parts and administered separately as Crown colonies by the British (STAR-Ghana, 2011). The division might have helped the British to maintain law and order to facilitate extraction of raw materials. Yet, it also presented a major development problem for Ghana. Firstly, it led to the formation of a class system (Howard, 1978) the consequences of which are still observable in Ghanaian body politics (Arthur, 2009). Secondly, it disrupted the traditional systems of public management and created divisions along regional, ethnic and tribal lines. For example, while major infrastructural projects such as roads and railways were developed in the resource-rich southern parts of the country, the north, in particular, was virtually neglected because it was presumably not considered viable to offer any potential returns on investment (STAR-Ghana, 2011). Since independence the pattern of division in terms of regional, ethnic and tribal lines has been heightened and permeated into national politics, often creating tensions and undermining effective public management in Ghana (Chazan, 1982; see also Arthur, 2009). The division also enabled the British to pursue their policy of indirect rule, a system that enabled the colonies to be administered or managed through the local chiefs (Derrick. 1983; Collins and Burns, 2007; Broussalian, 2011). The indirect rule system elevated the status of the chiefs, a few educated indigenous Ghanaians, and some business people and accorded them certain privileges. However, since independence Ghanaian leaders, politicians and public management officials have applied their own interpretations of those privileges and status probably from the cultural point of view (narratives) (see Gardiner, 1996) and have consequently assumed that they are quite different from the rest of society. This is a phenomenon which has been termed in public management discourse in Ghana as elitism or elite mentality (Woode, 1997). Thus, elitism can be perceived as a by-product of colonial exploitative strategy enacted through an established institutional framework (Hague, 1997). Indeed, the theory of social elites argues that colonial institutions such as education and training systems helped the indigenous beneficiaries to establish their power base as a dominant and ruling class that has subsequently sought to perpetuate such practices (Bourdieu, 1979). The consequence of that mentality is that public officials become detached from the rest of society and did not properly engage the people in policy formulation and implementation (see Akuoko-Frimpong, 1994).

Another area undermining effective public management in Ghana that can be traced to colonialism is the lack of people with technical skills and capacities. There seems to be a consensus among most authors in Sub-Saharan Africa that Ghana was in a relatively better position in terms of skills and capacities at the time of independence compared to other countries in the region (see Milburn, 1977; Dzorgbo, 2001; Meng, 2004). Yet it has been claimed that most Ghanaian skills resided in day to day administrative management with relatively few people with technical capabilities, compared to the institutional requirements (Paul, 1983). As a result, technical and professional skills that were critically needed for effective policy design and implementation were inadequate or non-existent. The primary reason for Ghana’s lack of people with professional and technical skills and capabilities was that during colonialism, positions requiring deployment of such skills were occupied primarily by the British expatriates to oversee effective implementation of the colonial policies (Paul, 1983). When the British expatriates left after independence, the technical skills gap needed to be filled. This is arguably one of the key public management challenges that Nkrumah’s government confronted in taking over from the British and sought to address in pursuit of his socialist development management programmes. Nkrumah’s socialist policies culminated in the establishment of industries in almost every sector of the Ghanaian economy to the extent that it overwhelmed the existing institutional and skills capacities (see Killick, 1978). It has been claimed that equipment, spare parts and technical advice that were needed to ensure effective operation and management of public institutions were sourced primarily from overseas (Bennett, 1973). The culminating effect was underperforming state / public sector organisations, which became a drain on national resources and contributed to the deterioration of the fiscal and balance of payment problems in Ghana (Pellow and Chazan, 1986; Austen, 1987; see also Frimpong-Ansah, 1991; Osei, 1999). The skills problems in public management in Ghana reached its climax in the early 1980s following a series of economic mismanagement (Pellow and Chazan, 1986) and political instability (Adu-Boahen, 1992) that consequently compelled most professionals to migrate to other countries in search of a better life (World Bank, 1984; see also Picard and Garrity, 1994).

**3.3.2. The influence of international institutions on the Ghanaian public sector**

The post-colonial experience impacted on the extent to which Ghana and indeed most developing economies have depended upon international institutions, and particularly the IMF and World Bank and other foreign donors. It could also be argued that economic mismanagement by successive governments after independence, increasing debt burden and government inability to fund major development programmes increasingly led to over-dependence on external sources. Funding often had conditions attached (see Hailey, 2000; Kayizzi-Mugerwa, 2002) that have over the years not given Ghanaian governments space to manoeuvre within the confines of predominantly Western management practices (see Kiggundu, 1991). While it may be justified to specify the funding conditions for projects, the extent to which they have helped in addressing the wide range of Ghana’s socio-economic problems is doubtful.

Notwithstanding the observations above, in the early 1980s, even though the government of the Provisional National Defence Council (PNDC) was initially hesitant to open up the Ghanaian economy to foreign capital, the deterioration of the economy, crippling debt burden and inability to acquire credit did not offer much room to manoeuvre but to yield to pressure from the International Monetary Fund (IMF) and the World Bank to accept economic reforms and structural adjustment initiatives (Tangri, 1991; Osei, 1999; Soderling, 2003). Consequently, in 1983, Ghana became one of the first countries in Sub-Saharan Africa to embrace the IMF and the World Bank widely promoted economic reforms known as the Economic Recovery Programme (ERP). The adoption of the principles incorporated in the Economic Recovery Programme (ERP) by the Provisional National Defence Council (PNDC) marked a significant policy shift or arguably the final phase of the post-independence strong state interventionist policies pursued between 1957 and 1981. The ERP aimed to restructure public sector organisations by increasing their autonomy to operate efficiently and effectively through cost recovery measures. Based on the principles inherent in the ERP, the government of Ghana came to the conclusion that in order to address performance problems in public management, desirable policy initiatives or reforms should focus on improving the existing schemes of services, drastically reducing the number of employees, achieving a compact and cost-effective public service and developing human resource requirements while improving the quality of staff, pay and condition of services (Office of Head of Civil Service, 1996-2001). This was achieved by the removal of government subsidies and adoption of some components of what can be described as NPM reform programmes such as divestiture and privatisation. Thus, New Public Management (NPM) style reforms were perceived as the most practical and realistic solution to the public sector performance problems in Ghana (The Ghanaian Independent, 2002) following several unsuccessful previous attempts to restructure and modernise the public sector to be more responsive to the needs and aspirations of the people.

**3.3.3. Centralisation of public sector organisations**

One of the factors that may have contributed toward public sector underperformance or weakness is the structure underpinning the public administration system in Ghana (Nti, 1973; Appiah, 1998). For instance, it has been claimed that the structure of the public management system in Ghana exhibited the characteristics of excessive centralisation (Woode, 1997; Appiah, 1998; see also Adu-Boahen, 1992). The design, implementation, and monitoring were marked by centrally-controlled direction, supervision and essentially, by a top-down approach (Ghana-Vision 2020, 1995: 26). The possible implication of excessive centralisation is that concerns of ordinary citizens, the intended beneficiaries of programmes may not have been integrated into the planning process due to a lack of consultation, creating ownership and participation problems for the beneficiaries (see Ghana-Vision 2020, 1995). It has also been suggested that the public sector was characterised by overstaffing, low incentives and poor planning (Ghana-Vision 2020, 1995). It has been claimed that policies of successive governments particularly in relation to price control mechanisms and labour laws restricting layoffs put a strain on public institutions and also increased the size of the public sector (Adda, 1992). This presented co-ordination, monitoring, and supervision challenges to government agencies and ministries. In addition, public sector remuneration and incentive regimes were perceived to be demoralising (Appiah, 1998). This was reportedly coupled with over-stretched bureaucracies, conflicting and poorly defined social and commercial objectives, abuse of monopoly power, political interference, and indebtedness (Killick, 1978, 1983; Jeffries, 1994; Sandbrook and Oelbaum, 1997).

**3.3.4. Informal Institutions**

Effective management of public organisations in Africa has also been linked to the role played by informal institutions. Most commentators on Ghana and Africa management practices argue that there is a strong connection between informal institutions – and particularly cultural practices - and organisational effectiveness (Kiggundu, 1991; Woode, 1997; Hallen, 2005; Nkomo, 2006; Kamoche, 2011; Jackson, 2011, 2012). Scholars who have a positive orientation toward African culture draw attention to the Ubuntu culture in South Africa (Mbigi, 1997; Mangaliso, 2001; Nkomo, 2006; Kamoche, 2011; Jackson, 2004, 2011; Horwitz, 2012; Xing et al., 2014; Gomes et al., 2015). The Ubuntu concept comes from an Xhosa saying and is premised on the assumption that people are only people because of others. Key values inherent in the Ubuntu culture include fairness, reciprocity, communal sharing, and respect, among others (Mbigi, 1997, 2005; Horwitz, 2012; Xing et al., 2014; Gomes et al., 2015). In South Africa, the values underpinning the concept Ubuntu particularly emphasises indigenous humanistic and communal practices such as reciprocal relations, people or community ownership and respect, which have been integrated into most public and commercial organisations with some success (Jackson et al., 2008). In view of the above, public management officials in Africa have been urged to take inspiration and draw some parallels from the values and principles inherent in the Ubuntu culture (Mbigi, 1997; Mangaliso, 2001; Jackson, 2004; Nkomo, 2006; Kamoche, 2011; Jackson, 2011, 2012).

Some scholars have however, raised concerns about the role of informal institutions (Hyden, 2004, 2007; Helmke and Levitsky, 2004; Wood and Fragnas, 2006), while others have problematised the way in which culture influences organisational behaviour in Africa (Dheer et al., 2015; McSweeney, 2009, 2016). McSweeney (2016) has argued that the notion that there is a national or uniform culture transcending across ethnic groups, regions, and organisations and predicting organisational outcomes can be misleading. For him, such depiction ‘evades the necessity to deal with the complexities of human decision making and the actual contexts within which action takes place’ (McSweeney, 2016, p.72). More critically, Hyden (2004) has argued that the extended peasant-based networks of support encountered in many African societies is the prime reason for the lack of competitive capital development in many African countries (see also Hyden, 2007; Helmke and Levitsky, 2004; Wood and Frynas, 2006). Indeed, in Ghana, the extended networks of the informal institutions and structures, and particularly the extended family system, have been connected to performance problems in public organisations (Woode, 1997). The existence of informal institutions has encouraged the practice whereby state resources are used to favour close friends and members of the extended networks such as in employment (Helmke and Levitsky, 2004; see also Wood and Frynas, 2006; Hyden, 2007), leading to mistrust and apathy among others. It has also exerted financial pressures on public officials who are expected to make contributions to appease their diverse range of relations (see Blunt, 1990).

Another feature of African culture which has been viewed negatively is the cultural dimension of ‘masculinity’ (Budhwar and Debrah, 2001; Cole et al., 2007; Ohemeng, 2010), which is closely linked to the cultural emphasis on respect for elders (Van Der Geest, 1998, 2002; Twum-Danso, 2009). Masculinity in Ghanaian culture has led to dominant or domineering male voices in public management. The practice is due to the perception that males are the heads of families (see Brown, 1994) and therefore should have the dominant opinion on all key decisions, and provide sustenance to the rest of the family members. Although the practice places enormous burdens on male figureheads, particularly in terms of financial commitments (Nyambegera, 2002; Adarkwah-Yiadom, 2015), it also gives them much power. It is in the context of these power differentials that some commentators have labelled Ghana as a country that exhibits the characteristics of a high power distance society (Tsamenyi and Mills, 2003; Aryee, 2004; Ohemeng, 2010). Thus, there is an acceptance by members of society that power, control, and influence within institutions are unequally distributed (see Hofstede, 1980: 45-46). These practices have made people become shy and unable to unleash their potential (Twum-Danso, 2009b), very reactive and less enthusiastic about questioning or challenging their bosses on critical managerial decisions (Yeboah and Obeng-Odoom, 2010). More significantly, they seem to be undermining the effective functioning of formal institutions set up to facilitate the national development process (Hyden, 2006, 2007).

Although it could be argued that privatisation might reduce the negative tendencies indicated above, and particular the tendencies toward patronage, it is also possible that in a developing country context, privatisation could conversely worsen such tendencies, given, for example, the possibilities for opportunism during the giving of contracts (see Pitcher, 2001; Pitcher et al., 2009). More generally, the introduction of private management practices might lead to different formal practices, but may not necessarily lead to ‘better’ informal practices.

**3.3.5. Western versus Asian influences on management**

Some cross-cultural theorists suggest that there are both integrated (forces capable of tearing organisations and society into pieces) and dis-integrated forces capable of drawing great strength from the wealth of different perspectives and approaches (Jackson, 2004; Elron et al., 1999). Understanding the dynamics of these influences and the diversity contained within them could facilitate the integrative and reconciliation process and consequently lead to performance improvements in public organisations (Jackson, 2004; Jackson et al., 2008). To enhance the understanding and the integration process, African managers have been urged to draw lessons of evolutionary processes of management cultures from a variety of sources (Jackson, 2002b, 2004; Jackson et al., 2008). Kamoche (1992) argues that due to the influences of colonialism, African management practices appear to emulate principles developed in the west and are encouraged to do so particularly in terms of ideologies, practices and success criteria (Jackson et al., 2008). Jackson et al. (2008: 403) argue that Western management practices which have been dominant in management literature have undergone major evolutionary processes from Taylorism (bureaucratisation of the workplace) to its present capitalist form that arguably treats the workforce as mere inputs or resources in the production chain. Each stage of the management development process resulted from a wider manifestation of societal values. It was also thought to offer best solutions to organisational efficiency and increased productivity until it was challenged by new perspectives. Jackson (2002b) argues that the evolution of competitive management practices from East Asia, and particularly Japan, are comparable to those found in the west in terms of effectiveness and efficiency and that it is important to enhance the understanding of how management practices can work in different cultures. The Japanese humanistic /collectivism culture is widely thought to bear some semblance with most African cultures particularly the concept of Ubuntu in South Africa (Horwitz, 2012; Xing et al., 2014; Gomes et al., 2015). In the Japanese philosophy of work underpinned by humanistic / collectivism culture, for example, team spirit, collaborations, employees’ well-being are all recognised as contributors to organisational efficiency and effectiveness (Jackson et al., 2008: 405). House and Aditya (1997) have observed that management principles emanating from the West quite often resulted from studies conducted on specific individuals and organisations, yet these principles have been promoted as universal models with consequences for emerging economies. As a result, some commentators have argued for a shift away from over-reliance on Western development and management theories to alternative models of African or Asian orientation (Maruyama, 1984; Horwitz et al., 2002). It has been claimed that Chinese influence is growing in Africa with an investment of over a billion dollars per year (see Jackson, 2012). As this phenomenon continues, it is possible that the Western management practices that have for decades influenced Africa will be challenged by practices brought in by the Asian investors and business partners. Africa’s policymakers and public managers have been called upon to draw lessons from their engagement with Western institutions and their practices as they contemplate entering into new partnerships with their Eastern counterparts, and particularly China (Kamoche, 2011). One observer has noted that African culture is underpinned by strong traditional or family values including respect for elders, authority and deity and obligation towards the extended family among others (Redding and Ng, 1982) that can be harnessed to bring about performance improvements in public management. It has also been suggested that it is important to emphasise those positive cultural values that acknowledge that one’s existence depends upon the other(s) (see Kamoche, 2011) and that complementing each other’s efforts can establish mutual obligation and trust building relationships in organisations (see Jackson, 2002a). However, it could also be argued that it is important to ensure that the Chinese influence in Africa does not, in effect, and in the longer term, become as exploitative as that of the British.

In summary, it could be argued that the influences discussed above are part of the cultural narratives helping to keep society together, hence irrespective of water privatisation or any management reforms these pressures will exist. Nevertheless, they could also be part of the ‘missing links’ in public management that have not been properly investigated and as consequence holding back Ghana’s quest for social progress. It is important therefore for this study to find out whether privatisation and public-private partnership has increased or decreased those cultural influences.

**3.3.6. Corruption and mismanagement**

Others have drawn attention to other issues that can be broadly defined under the heading ‘corruption’. Corruption arguably became part of the public management struggle in Ghana soon after independence in 1957 (see Killick, 1978). It is related to the above discussion on traditional norms, and has stemmed from the perceived belief among some public officials that the public sector can be used to accomplish personal and familiar responsibilities such as offering employment to friends, family members and party loyalists (Greenstreet, 1973; Killick, 1978; Woode, 1997; Christensen, 1998). As a result, most high-level officials responsible for running public sector departments have quite often regarded these departments as their personal domain (Greenstreet, 1973). Helmke and Levitsky (2004), have argued that the practice is a by-product of colonialism. They noted that in post-colonial states, the practice is seen as counteracting or competing with the bureaucratic system imposed by the colonial government. The cumulative effect is that less attention is given to rules and procedures, creating a sense of hopelessness in certain segments of society (see Khilji, 2003). This might have reflected poorly on senior public officer’s decision making. Thus, public sector administration was characterised as being marked by corruption, embezzlement, losses, waste of resources, absenteeism and bureaucratic irresponsiveness (Adu-Boahen, 1992; Woode, 1997; Appiah, 1998; see also Pellow and Chazan, 1986; Osumanu, 2008).

In summary, Ghana’s political economy since independence has been characterised by divisional politics, a weak public sector, over reliance on the agric sector, aggressive pursuit of development projects, mismanagement, political instability (Adu-Boahen, 1992) and a dependency culture (Howard, 1978). Although, some of the characteristics are still observable in Ghana politics and public management since 1992 after a return to constitutional rule Ghana has enjoyed relative stability. The politics of division was because before colonisation Ghana consisted of separate-small states constantly at war or conflict with each other. After colonisation, the British strategy of indirect rule and subsequent division of the country into four separate sections under tribal lines also contributed to the divisions and polarlisation. The section also reveals that before colonialization Ghana’s economy was dominated by subsistence agriculture with relatively few monetary exchanges (Howard, 1978). The economy, however, was transformed under British rule leading to exploitation of mining (mostly gold) and agriculture (cocoa), marketed through expatriate trading firms (STAR-Ghana, 2011). By the time of independence in 1957, Ghana had a vibrant exporting sector and was a leading exporter of cocoa (Dzorgbo, 2001). The country had also accumulated a significant amount of money in reserves (STAR-Ghana, 2011). Since independence, successive Ghanaian governments have experimented with various economic and public management models that reflected the ideology and ambition of the leadership some of which have been over-ambitious. This coupled with political instability and mismanagement caused by a complex range of factors including political interference, corruption, capacity issues, cultural and tribal influences brought the economy of Ghana to a virtual collapse. The underperformance of the Ghanaian economy led to increased public sector borrowing, indebtedness and over-dependence on donor institutions including the IMF and the World Bank. This culminated in the introduction of IMF and World Bank heavily supported structural adjustment and economic reforms programmes (ERP) which included the privatisation of water in Ghana. These key themes were used to help in developing the research questions that are outlined in the methodology chapter. The next chapter helps to set the scene for the field research by explaining how water privatisation was carried out in Ghana.

**Chapter Four**

**NPM and water privatisation in Ghana**

This chapter explores the circumstances leading to the introduction of NPM reforms and then evaluates the debates that have arisen around privatisation in Ghana generally and more specifically in the WaterOrg, including reasons for privatising, claim of its intended benefits as well as concerns and criticisms that have been raised.

**4.1. NPM in Ghana**

The reasons for adopting NPM reforms in Ghana have in certain respects been similar to those for advanced economies, and some of these reasons have already been outlined in the sections above, but will be summarised here. These include socio-economic challenges such as inflation, unemployment, the balance of payments issues, and income redistribution (Larbi, 1998, 2006). Others relate to issues that have strong political underpinnings including issues of individual rights and freedom, equity and justice and public sector accountability (Polidano, 1999). However, in developing countries such as Ghana, a deep-seated practical economic, social, political and humanitarian crisis has also tended to facilitate the need for public sector reforms. The problems were many and wide-ranging, including issues of poverty and malnutrition, health and sanitation, education and lack of basic social amenities such as water and electricity. The economic and fiscal crisis characterised by massive public sector borrowing costs, low productivity, balance of payments difficulties, growing indebtedness and over-dependence on foreign aid has also been cited as contributing to the pursuit of ambitious public sector programmes particularly in Sub-Saharan African in the 1980s (World Bank, 1997; Bangura and Larbi, 2006). Concerns about political instability due primarily to military interventionism were also singled out as being responsible for sub-Saharan economic difficulties and problems, particularly in Ghana (Adu-Boahen, 1992). In the specific case of Ghana, for example, it has been argued that external debt as at 1982 amounted to US$1.7 billion while the projected total value of exportable resources in relation to a short-term commitment to debt repayment stood at US$33 million and US$348 million respectively (Larbi, 2006). This undermined government efforts to secure further credit from international financial institutions such as the World Bank.

As a result, of the above situation, the only option left for the government was to accept the IMF/World Bank’s stabilization and structural adjustment package in 1983 (Larbi, 1998; Hutchful, 2002). Like most Sub-Saharan African countries, this ultimately led to the pursuit and incorporation of NPM style models such as contracting out, downsizing and privatisation as inevitable instruments for controlling the fiscal deficit and restructuring the public sector. Thus, unfavourable economic conditions provided the platform for the IMF, World Bank, and other development agencies to have some leverage over Ghana. From the perspective of the World Bank and the IMF at the time, it was evident that economic challenges in Ghana and other African countries were quite compelling primarily because the state sectors had been overextended, too expensive and inefficient (World Bank, 1989; Lensik, 1996).

Thus, the introduction of NPM into the public domain was part of the effort to reduce firmly institutionalised bureaucratic hierarchies perceived to be contributing to performance problems (Hope, 1997, 2001; Hope and Chikulo, 1999). This was to be replaced with flatter, flexible and more responsive structures underpinning private sector management (Lane, 1997; Christensen, 2001a) in order to increase managerial freedom and autonomy and shift the power balance from politicians to managers (Larbi, 1999; Minogue, 1998). In effect, every structure and component of the old public administration system that was perceived to have contributed to the inefficiency problems of the public institutions was to be completely renewed and overhauled to reflect the prevailing market conditions. The NPM-style reforms, including decentralisation, privatisation, and contracting-out, were carried out across a wide range of public sector organisations, including the WaterOrg. However, privatisation was the dominant trend in Ghana.

**4.2. Privatisation in Ghana**

Privatisation of public services entered the public management debate in the late 1960s when the NLC government took over after the overthrown of Nkrumah in 1966 (Appiah-Kubi, 2001). However, subsequently, interest seemed to wane. In the 1980s, it re-surfaced and consequently gathered momentum when Rawlings was in power. During this period (the mid-1980s), Ghana experienced unprecedented economic growth and received commendation from the IMF and World Bank as a model country. Ghana subsequently became a focus of attraction for international investors. As noted above, in the 1990s Ghana accepted IMF and World Bank recommendations for economic reforms and embarked on the Economic Recovery Programme (ERP). The ERP aimed at three main things: liberation, regulation and structural changes through divestiture and increased incentives for private capital investment, and also entailed opening up the Ghanaian economy to private/foreign investors. Thus, the privatisation of State Owned Enterprises (SOEs) constituted a critical component of the Economic Recovery Programme (ERP) (Tangri, 1991).

To facilitate the privatisation process the Divestiture Implementation Committee was set up in 1990. The DIC in consultation with foreign management consultants and the involvement of the IMF auctioned most of the state-owned enterprises to the highest bidder (Rothchild, 1991). The majority of the enterprises were sold to private (foreign) investors due to the fact most Ghanaians did not have the amount of capital needed for the investment of that magnitude (Appiah-Kubi, 2001). This raised concerns of further dependency and long-term implications for economic development.

By 1998, which was probably the peak of the privatisation programme, around 212 out of over 284 pure state-owned enterprises in Ghana (Hug, 1989) had been privatised. The privatised enterprises were varied and spread across various sectors of the economy. They included: The Ghana Telecom (utility), Ghana Commercial Bank (financial), Ashanti Goldfields Ltd (extraction), and the Ghana Agro-Food Company (GAFCO) (manufacturing). The list of types of privatisation that took place is represented in table 3.2 below. The table indicates that lease arrangements did not attract much attention, probably due to the potential risks that were identified, thus accounting for less than three percent, compared to the sale of assets.

Table 3.2. Divestiture of former state-owned enterprises

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Types | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | Total |
| Sale of Assets | 16 | 4 | 3 | 30 | 19 | 18 | 15 | 7 | 112 |
| Sale of share | 11 | 5 | 2 | 2 | 6 | 1 | 2 | 2 | 31 |
| Joint venture | 6 | 3 | 1 | 4 | 0 | 4 | 1 | 2 | 21 |
| Lease | 3 | 1 | 0 | 1 | 0 | 0 | 1 | 0 | 6 |
| Liquidation | 24 | 2 | 5 | 5 | 6 | 0 | 0 | 0 | 42 |
| Total | 60 | 15 | 11 | 42 | 31 | 23 | 19 | 11 | 212 |

Source: Divestiture Implementation Committee, Accra, 1999

**4.2.1. Economic performance**

The divestiture programme is thought to have generated a substantial amount of revenue for the government of Ghana. According to the Divestiture Implementation Committee (DIC), about 909.617 billion cedis was raised as proceeds from the divestiture transactions. The DIC claimed that part of the privatisation proceeds were used to settle employee settlements, consisting of accumulated salary arrears, severance payments and other liabilities including debts owed to creditors of divested enterprises (DIC, 1999). The DIC finally estimated the net proceeds, representing the difference between total sales revenue and total liabilities paid to creditors, at about 128.3 billion cedis as at 1999 (DIC, 1999). There are claims that the performance of some privatised sectors including cocoa and gold improved after privatisation (STAR-Ghana, 2011). These claims by the DIC were quite compelling and there have been a lot of debates around it.

**4.3. Privatisation of water in Ghana**

Ghana’s urban water systems, like its counterparts in many developing countries, had been deteriorating over the years due to serious constraints faced by the WaterOrg which made it increasingly difficult to meet the challenge of providing adequate water for all urban residents. One of the main constraints was a steadily worsening financial position of WaterOrg, caused by the economic decline (high inflation, high interest rate and rapid depreciation of the cedi) in the late 1970s and early 1980s, and the currency devaluation as part of the structural adjustment which in part led to serious lack of investment levels that averaged only US$ 1.50 per capita per year (World Bank, 2004). The WaterOrg’s financial position was compounded by the fact that government policy during the period of economic decline also prevented state enterprises including the WaterOrg from cutting down staff levels and charging customers market rates to enable them to meet the cost of production, let alone make provision for sustainability and future expansion (WSRS, 2002; Nii Consult, 2003).

The Economic Recovery Programme (ERP) reforms aimed to address some of the constraints above and indeed brought a lot of changes in the operation and management of the WaterOrg, that were to lay the foundation for private sector participation. The reforms aimed at full or partial recovery of prices of goods and social services, the promotion of market forces to determine the prices of goods and services, disengagement of the state from the production and distribution of goods and services, and the promotion of the private sector as the engine of growth (MWH, 1999). Consequently, in 1987 the World Bank became directly involved in the water sector. This paved the way for the preparation of a five-year Rehabilitation and Development Project which culminated in the launch of the Water Sector Rehabilitation Project (WSRP, 1995-97). The programme aimed at expanding and rehabilitating the water supply systems across all the districts and regional capitals in the country as well as improvement in commercial, financial, personnel and managerial capacities and capabilities. Institutional aspects of the reforms included decentralisation of decision making through increased autonomy and power to the regions to enable them to improve their overall performance including water distribution and maintenance, conditions of service, commercial performance and recruitment of capable and professional staff. The reform programme was principally financed by the World Bank and other donor agencies who provided loans and grants amounting to US$125 million, with a further US$15 million contribution coming from the WaterOrg (WSRS, 2002; Nii Consult, 2003).

**4.3.1. Events leading to Ghana water privatisation**

In 1995 as part of economic recovery programme and preparations for the private sector involvement in public water supply systems in Ghana, the Government of Ghana published a document known as Vision 2020 (Government of Ghana, 1995). Its main objective was to help Ghana attain middle-income status by the year 2020. In terms of water and sanitation, the Vision 2020 sought to:

* Ensure adequate access to reliable supplies of safe water for all communities and households.
* Eradicate occurrence of water-borne diseases due to unsanitary practices and other causes.
* Ensure safe disposal of all solid and liquid waste for all communities and households (Ghana-Vision, 2020).

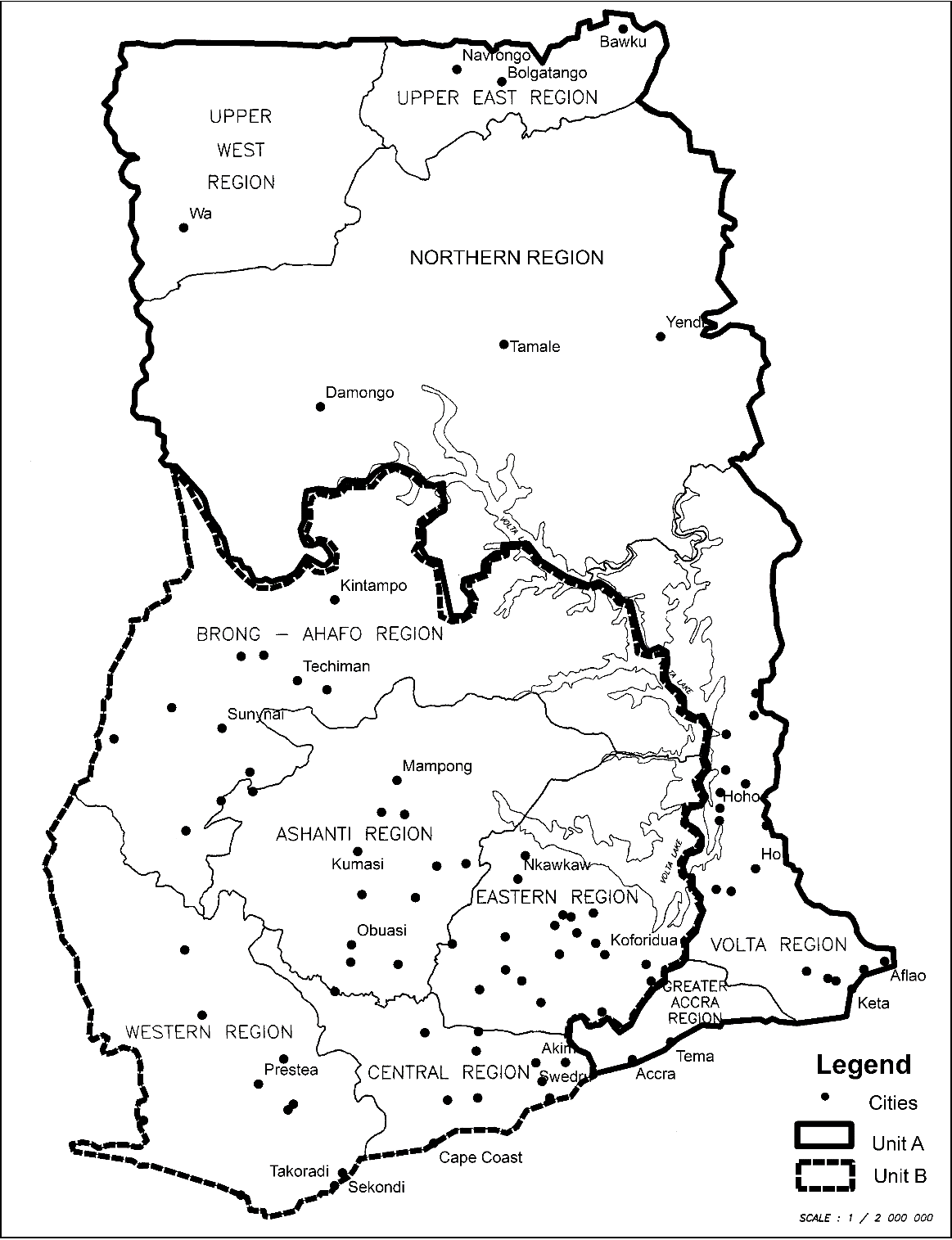
Specifically, on water, Vision 2020 further emphasised the need to:

* Increase the number of appropriate water sources (for example, more bore-holes).
* Strengthen institutional capacity to improve water supply, both qualitatively and quantitatively
* Increase community involvement in the supply and maintenance of water sources and systems
* Promote private sector participation in the provision of equipment and services for water supply.

Given this background, there was an increased expectation on the WaterOrg to be more proactive and take advantage of the opportunities provided as part of ERP reforms to improve performance (Fuest and Haffner, 2007).

Following from the above two foreign consultants were engaged by the World Bank in 1995/96 to deliberate on the type(s) of privatisation option that would be suitable for Ghana (Adams Smith Institute, 2001; Halcrow and Partners, 1995). Details of their key propositions are explained below.

The urban water systems operated by the WaterOrg comprising of approximately 100 water systems were to be reduced to approximate 74 system across the country and divided into two business units (unit A and unit B) to be contracted to two private sector water companies (GWCL, 2004). Unit A comprised of 26 water systems in Greater Accra, Volta, Northern, Upper West and Upper East Regions and valued between US$375 and US$512 Million. Unit B consisted of 70 systems covering the remaining regions of the country: Ashanti, Brong Ahafo, Western, Eastern, and Central and valued between US$305 and US$561Million (Agyeman, 2007; Yeboah, 2006). These regions are shown in figure 4.1.

Figure 4.1. Units for urban water privatisation in Ghana

**Ghana**

Source: Louis Berger (1998)

This was followed by the establishment of the Water Resources Commission in 1996 by an act of Parliament. Its main objectives were to regulate and manage the utilisation of water resources, coordinate national water policy, and conserve, develop and improve water resources in Ghana (Agyeman, 2007). During the same period 1997, the Public Utility Regulatory Commission (PURC) was established. The PURC was an autonomous organisation charged with regulating and overseeing the provision of utility services to consumers and to provide for other related issues. The functions of the Commission are of special significance to the water sector and include the following:

* provide guidelines on rates chargeable for utility services,
* examine and approve rates chargeable for the provision of utility services,
* protect the interest of consumers and providers of utility services,
* initiate and conduct investigations into standards of quality of services given to consumers,
* monitor standards of performance for the provision of services,
* promote fair competition among public utilities,
* conduct studies relating to economy and efficiency of public utilities.

Thus, the PURC was set up to ensure there was a mutual beneficial relationship between the needs of consumers who demanded good quality services at affordable prices and the needs of the service provider (WaterOrg) for prompt payments and adequate tariffs to meet the cost of operations (MWH, 1999). Similarly, in 1997, an independent body, the Water Sector Restructuring Secretariat (WSRS) was established to guide the privatisation process. It was, however, replaced by a project management team in 2002. Critics doubted the independence of the WSRS on the grounds that it was responsible for launching an offensive public relations campaign in favour of the government privatisation process (International Fact-Finding Mission, 2002). Critics’ suspicions were heightened when it was revealed that although a government agency, the WSRS, was staffed by private consultants who were paid salaries far greater than those of the civil servants, and perhaps more than cabinet officials (International Fact-Finding Mission, 2002).

In 1999, events took a dramatic turn, which marked the final preparation for private sector participation in public water supply services in Ghana. The Ghana Water and Sewerage Corporation (GWSC) was dissolved and replaced by two limited utility entities: the WaterOrg and the Community Water and Sanitation Agency (CWSA). This was strategically pursued to attract potential investors to the urban water systems and to provide assurances of possible future returns (Fuest and Haffner, 2007). Rural water supply systems were perceived to be unattractive to the private sector since they did not offer opportunities for exploiting economies of scale (World Bank, 1997). Consequently, the water supply systems of small towns with less than 20,000 inhabitants were transferred to the Community Water and Sanitation Agency. The CWSA was tasked to implement water policies within the framework of the National Community Water and Sanitation Programme, which had been designed by the World Bank, the Government of Ghana and Non-Governmental Organisations (NGOs) as far back as 1993. The WaterOrg was authorised to provide, distribute and conserve water supply for the public, domestic and industrial purposes in the urban centres of the country. The WaterOrg had a total installed capacity of about 670,000 cubic metres per day with assets of merely a quarter of a million connections, comprising of water and sanitation works and operating about 100 urban water systems in the country (GWCL, 2002-2004).

In effect, the underlying assumption that the conversion of WaterOrg into a limited liability company would lead to the adoption of cost recovery and efficiency measures and improve the company’s overall performance proved to be an elusion (see MWH, 2002).

**4.3.2. Problems associated with WaterOrg**

In spite of the changes introduced by the Water Sector Rehabilitation Project (WSRP), and the financial investment committed to it, the water supply situation in Ghana continued to deteriorate. It is believed that out of Ghana’s estimated population of 20 million people, only approximately 10.3 million (51 percent) had access to treated water supply. In the urban areas, comprising of about 8.4 million residents, just 61 percent of the population had access to a treatable piped water source (World Bank, 2004). The outcomes for customers were also poor. The majority of Ghanaians, and particularly those in urban and suburban areas where water supply systems existed, experienced water shortages. The percentage of the urban population that had access to potable water dropped from 76% in 1992 to 59% in 2002 (GWCL: Official Statistics, 1999-2004). This undermined the consumers’ willingness to pay their water tariffs, which were also considered insufficient to meet the costs of maintenance and spare parts replacement, let alone for the extension of lines (WSRS, 2002; Nii Consult, 2003).

As a result, the financial position of the WaterOrg worsened. It is estimated that by the end of the 2002 fiscal year, the WaterOrg’s recorded net deficit was 780 billion cedis (Nii Consult, 2003; GWCL, 2004). In view of these inadequacies, the WaterOrg was branded as one of the most inefficient public service organisations, wasting a scarce national resource due to its inability to account for about 55% of the water produced and inadequate billing and revenue collection systems (Dumoga, 1997; Aboagye-Mensah, 2001; Ghanaian Times, 2002; Ghanaian Independent, 2002; GWCL, 2002-2004; see also Codjoe, 2004; Whitfield, 2006). The inefficiencies were attributed generally to political interference and management issues (Dapaah, 1990; Dumoga, 1997; Agyeman, 2007; Fuest and Haffner, 2007). More specifically, at the organisational level, the inefficiencies (water loses) was attributed to the following: inability to detect meter bypasses (GWCL, 2000), leakages and illegal connections (Agyeman, 2007; see also GWCL, 2000), inappropriate meter readings and entries for billings, incompetence, inadequate training and corruption of the meter readers (Dumoga, 1997). The inefficiencies were also connected to weak implementation capacity caused by high staff levels, salary erosion and inadequate incentives and motivation (World Bank, 1997, 2004). Although, it has been argued that the major reforms that took place under the Economic Recovery Programme in the WaterOrg aimed at laying the foundations for the subsequent involvement of private capital in public water provision in Ghana (Amenga-Etego, 2003; Agyeman, 2007; Wolfram, 2007). Which perhaps might seem erroneous to accuse the WaterOrg of non-performing since its fate had already been ‘sealed’ by the government and it could probably not get the necessary political backing for effective and efficient transformation. It is also important to note from this section that the WaterOrg had internal operational and management issues (Dumoga, 1997; GWCL, 2000; Agyeman, 2007) which significantly undermined its performance.

As public discontent about the water supply situation gained momentum and the government perceived that the country’s Millennium Development Goal of increasing access to safe potable water for as many Ghanaians as possible was slipping away, it became evidently clear that the radical overhaul of the water supply situation was, in fact, a necessary evil (see Hanjra and Gichuki, 2008). What was not clear among the politicians, policymakers, opinion leaders and the general population was the form any intervention might take (Yeboah, 2006).

Consequently, from early 2000 to late 2002 based on the recommendations of the two foreign consultants: Adams Smith Institute and Halcrow and Partners outlined earlier to split water management into two business units, several consultative meetings with various stakeholders were held to discuss the various privatisation options. Privatisation options considered during the consultative process included: service contract, management contract, the affermage or concessions system, lease and some possible combinations (Fuest and Haffner, 2007; Agyeman, 2007). Lease contract was initially adopted with each of the leasing expected under the terms of the agreement to invest US$70 million for rehabilitation, renewal and improvement of the water systems ((MWH, 1999). The lease was subsequently dropped in favour of a management contract.

The main reason given by the Government of Ghana for the cancellation of the initial lease contract and the subsequent adoption of the management contract was that it had become increasingly clear by 2003 that the expected investments under the lease option would not be forthcoming (WSRS, 2002). Yet, others have attributed the reasons for the cancellation to both internal and external circumstances. Internally, it has been claimed that by 2004 the target number of 74 urban systems which were to be divided into two business units had still not been reached (Fuest, 2006). Apparently, this was because the National Community Water and Sanitation Agency had not facilitated the transfer of the remaining small towns to community management and operations (Fuest, 2006). Also, there was strong evidence to suggest that the reaction of civil society to the privatisation process might have prompted the government to change its course (Agyeman, 2007). External factors related to the resentments directed towards multinational water infrastructural investors following instances where water privatisation did not achieve the intended benefits such as Cochabamba (Bolivia) (Budds and McGranahan, 2003), Nkokebde (South Africa) (Bayliss, 2002), and Johannesburg (South Africa) (Bond, 2004). The last but nonetheless significant factor related to regional political destabilisation through events such as the outbreak of war in Ivory Coast in 2002, all of which diminished the initial optimism and changed the investment calculations that pre-qualified institutions had envisaged.

Consequently, the revised bid documents for urban water supply reduced the level of investment significantly (Nii Consult, 2003; Amengo-Etego, 2003; Yeboah, 2006). When the revised bids were tendered finally under competitive bidding process (World Bank, 2004), a joint bid by Vitens International of the Netherlands and Rand Water Services of South Africa, which became known in Ghana as PrivateCo, won the contract to manage Ghana’s urban water systems for a five-year period under management contract. The contract was officially signed on 22nd November 2005 but the actual commencement date was 5th June 2006. The total cost of the project was expected to be US$120 million made up of a US$103 million World Bank loan, which later turned into a grant, US$5 million from the Nordic Development Fund and a US$12 million contribution by the Government of Ghana (World Bank, 2004; Government of Ghana, 2005). It was clearly stated in the contract that the Government of Ghana intended to move from a management contract to an affermage or concession contract presumably after the expiration of the management contract which was slated to last for five years (World Bank, 2004). The World Bank was to make available US$10 million to pay off redundant labour. A further social connection fund of US$10 million was planned to assist the urban poor to obtain private connections to the WaterOrg systems. More public stand pipes were to be constructed to help the urban poor. They were also expected to benefit from the proposed project because the expansion of the network would reduce the need to rely on water vendors who charged exorbitant prices. The WaterOrg was similarly expected to become a more efficient utility provider without having to raise tariff necessarily. The anticipated reduction in water losses was expected to increase the revenue base of the sector (Project Management Unit, 2004).

Thus, the WaterOrg was finally privatised by the Government of Ghana in 2005 upon the recommendations of the IMF and the World Bank. In effect, privatisation became the main NPM-style reform implemented in the WaterOrg. Other NPM reforms such as decentralisation and contracting-out were briefly run in the water sector to lay the foundations for privatisation to become a reality. The government decision to privatise the WaterOrg was inspired by the fact that over the period 1973 to 1998, the International Development Association (IDA) invested US$152.4 million to improve Ghana’s urban water supply infrastructure (World Bank, 2004), yet the result over the 25 years of public sector management was very disappointing whilst urban water sector remained in a poor condition with the trend in service and sustainability worsening. The decision to privatise was also inspired by the claim that some private companies had better technologies, equipment and a large portfolio of capital to run public piped borne water effectively and efficiently (Agyeman, 2007; see also K'Akumu, 2006). As a result, public sector ownership of the new project was not recommended by the IDA, nor was it chosen by the Government of Ghana. According to the Government of Ghana (2005), private sector involvement in the water sector and the privatisation of the WaterOrg would lead to improved performance and benefits to the final consumer in a number of ways including:

* expanding the supply of safe water in urban areas,
* ensuring financial sustainability resulting from increased cost recovery,
* improving the efficiency in production and distribution of safe water through improved operations and maintenance,
* improving management practices that would ensure cost-effectiveness and pricing based on sound commercial principles,
* ensuring that the water needs of all sections of the population, including those in the low-income threshold are met.

The events leading to the privatisation of water in Ghana are represented in figure 4.2 below.

There were claims that under the management contract, the WaterOrg representing the Government of Ghana would be responsible for securing the necessary financing and executing the needed extensions and rehabilitation of the water supply systems (Amengo-Etego, 2003; WSRS, 2005). The private operator, on the other hand, would be responsible for the operations, maintenance, distribution, billing and revenue collection. The private operator was also to be paid a monthly fixed fee for meeting target’s (WSRS, 2005).

Critics argue that the separation into two large business units was aimed at excluding the small domestic private entrepreneurs from participating in the bidding process and providing opportunity for foreign private multinational companies to take over (Amengo-Etego, 2003) since none of the local investors had accumulated large portfolio of capital needed for the nature of investment required for the urban sector water development.

**4.3.3. Opposition to water privatisation in Ghana from civil society**

Civil society opposition to water privatisation dated back from the 1990s when the National Democratic Government (NDC) after having embraced the neo-liberal economic policies hugely promoted by the IMF and the World Bank attempted to privatise the WaterOrg. This resulted in a mass demonstration popularly dubbed ‘Kume Preko’ (literary translated as kill me now) to resist the government attempt to privatise the WaterOrg that culminated in the killing of four innocent demonstrators by the security forces (see Darko, 2010). The main civil society group that opposed water privatisation in Ghana was the National Coalition against Privatisation (NCAP). The NCAP was formed by the Trade Union Congress and NGOs; Third World Network Africa and Integrated Social Development Centre (ISODEC). In terms of composition, NCAP consisted of individuals and NGOs, public health groups, disabled rights organisations, women’s groups, community organisations, environmental groups, teachers, students, and religious groups among others. The main concerns of NCAP, echoed some of the criticisms against privatisation discussed in section (2.5), particularly in relation to human rights, public and economic good, equity and social justice among others (NCAP, 2003; see also Agyeman, 2007).

While articulating their position on the private sector participation (PSP), NCAP/ISODEC also criticised the ways some specific issues were handled by the government including fast-tracking of the PSP process, IMF and World Bank involvement and the introduction of automatic tariffs system. The first critique related to the perceived flaws and fast-tracking of the implementation of water privatisation. It was argued that in the process of stakeholder participation, neither the Public Utilities Workers’ Union nor the Trade Union Congress of Ghana was consulted during the entire consultative process which took place between 1994 and 1995. No representative from these organisations was consulted to deliberate on crucial Ghana Water Sector Restructuring workshop in 1995, where the PSP process was debated, endorsed and launched (International Fact-Finding Mission, 2002; ISODEC and Southern Links, 2002; Fuest and Haffner, 2007). It was also claimed that majority of Ghanaians were unaware of the basic components of the PSP since they had not been consulted (NCAP, 2003). Apparently, the public education campaign launched by DFID, a UK donor agency to inform and sensitise the public on the benefits of the PSP was considered insufficient to compensate for the lack of proper consultation (International Fact-Finding Mission, 2002). The range of PSP options proposed during the consultative process had no recognition for public sector options or significant involvement of Ghanaian private sector participation hence were considered to be inappropriate (ISODEC and Southern Links, 2002).

The second related to critics’ perception that World Bank-backed proposal recommended the introduction of an automatic price fixing mechanism aimed at full cost recovery by the private operator. Critics argued that profit motives for foreign private capital was given prominence ahead of the needs of the poor, especially, their inability to pay high tariffs since the role of the PURC was such that it could only intervene in setting water tariffs every five years (Bretton Woods Project, 2002; Amenga-Etego, 2003; Osumanu, 2008).

The third critique related to the opponent's believe that water privatisation was forced on the government of Ghana by the World Bank and the International Monetary Fund (IMF) contingent on the availability of loans (Amenga-Etego, 2003). For instance, it has been argued that the IMF and the World Bank decision to grant Ghana entry into the Heavily Indebted Poor Country (HIPC) initiative was contingent on the pursuance of the PSP policies (Weissman, 2003; Apoya, 2003; Al-hassan, 2004; Yeboah, 2006; Fuest and Haffner, 2007; Wolfram, 2007; Tsamenyi et al., 2008). As part of this measure, the PURC was to implement automatic tariff adjustment mechanisms to achieve full cost recovery. An indication that water tariffs would be increased to reflect and capture the cost of production (see Fuest and Haffner, 2007).

Other concerns related to the assumed lack of future investment and expansion. The private operators were not required under the terms of the agreement to invest or expand the water sector (Amenga-Etego 2003; Al-hassan, 2004) while at the same time they were allowed to repatriate 100 percent of every profit made in Ghana. In effect, whether the reform was a success or failure, there was the likelihood that the PrivateCo stood in a better position to gain, while the government of Ghana (GOG) would come out deeper in debt (Amenga-Etego, 2003; Al-hassan, 2004; Osumanu, 2008).

Last but not the least, it was claimed that the whole process of urban water privatisation was conducted in secrecy (ISOCEC and Southern Links, 2002; Amenga-Etego, 2003, 2004). The government was consequently accused of not being transparent enough in its handling of the privatisation process. Hence there were calls upon the government to put into the public domain all the relevant documents including the World Bank project evaluation reports as well as reports produced during the consultative process (ISOCEC and Southern Links, 2002; Amenga-Etego, 2003).

Critics continued to mount public education campaign to discredit the government claim of the intended benefits by highlighting on the potential social implications. For instance, NCAP/ISODEC sought to educate and inform the public on the dangers of privatisation, by making references to instances where water privatisation most often was cited as a failure with special emphasis on cases such as Cochabamba in Bolivia (Budds and McGranahan, 2003) and Conakry in Guinea (Prasad, 2006).

There were indications though to suggest that some opponents did not dispute the fact that there were problems with the water supply situation in Ghana which needed to be addressed cautiously (Apoya, 2003, Amenga-Etego, 2003). What they did dispute was the approach adopted by the government. They argued that the government should have explored more community participation in water provision, which had proved to be effective and efficient elsewhere, using the Savelugu Community Water Project as an example (Apoya, 2003). They described the Savelugu water scheme as a success since it achieved the following: reduced water prices by making it affordable to the majority, reduced incidence of guinea worm diseases, unaccounted for water and wastage, and increased access to potable water by 74 percent (Apoya, 2003). Yet, it was argued elsewhere that Savelugu had a population of about 20,000 inhabitants compared to other big cities such as Accra and Kumasi which had populations of about 1.2 million and 850,000 inhabitants respectively. Thus, making the comparison between them seemed a little bit odd. Yet, others also questioned the credibility of ISODEC/CAP particularly with respect to their sources of funding and also in relation to whose interest they sought to be promoting (Yeboah, 2006).

**4.3.4. The situation since 2006**

In spite of the objections in June 2006, privatisation became operational in the water sector in Ghana. The PrivateCo was responsible for the operation and maintenance of water supply infrastructure which included 85 treatment plants providing water to 55 separate service areas. PrivateCo was also responsible for the management of commercial activities including meter reading, billing, revenue collection, new service connections, customer complaints, disconnections and prevention of illegal connections. The watering, on the other hand, was responsible for monitoring the performance of the operator to ensure that specific service standards such as water quality, pressure and flow rate of treated water, reduction in non-revenue water (i.e. illegal connections), treatment works and production capacity and customer complaints were maintained (WSRS, 2002). The crucial question that needed answering, however, was 'Did the WaterOrg have the capabilities to monitor the activities of a sophisticated Multinational Company (MNC) operating in the utility sector where there are so many issues particularly in relation to information dissemination if it was initially considered incapable and inefficient'? For instance, due to information asymmetry more likely to be in favour of the private operator as premised in the principal-agent relationship (Niskanen, 1973; Lane, 1995; Vickers and Yarrow, 1995; Tullock et al., 2000; Eliassen and Sitter, 2008) the search for enhanced incentives to increase profitability could potentially lead to inappropriate practices such as data manipulation and information distortion by the private operator (Terry, 1993; Ruscio, 1996; Deleon and Denhardt, 2000; Deleon, 2005; Boyne and Law, 2005; Hood, 2007). This could be concealed in highly technical and sophisticated forms which might require people with technical skills and capabilities to unearth. Arguably, this is likely to be one of the key areas where public institutions in developing countries including Ghana seem to be lacking (Kirkpatrick et al., 2006).

Another issue of interest related to the fact that nearly 2840 staff of the WaterOrg workforce were seconded to the PrivateCo and consequently worked under the PrivateCo management. This development invoked a strong reaction and discontent particularly among WaterOrg staff who vented their frustrations in relations to better employment conditions of PrivateCo expatriate staff compared with their Ghanaian counterparts (Public Agenda, 2007; Davids, 2009). The PrivateCo nevertheless continued to manage the urban water services in Ghana until the end of the contract on June 6, 2011. The government of Ghana decided not to renew the contract and reverted, the management of the water sector back to where it was before the management contract - under WaterOrg management. From June 2011 to the present, the WaterOrg has been responsible for water supply to the majority of Ghanaians. Indeed, a recent report suggests that most governments in developing economies including Ghana have noted that it is through co-operation between public sector agencies that water delivery services can be improved other than privatisation (Vidal, 2015).

In summary water privatisation in Ghana broadly followed the pattern of privatisation in Ghana discussed earlier under section (3.4) particularly with respect to the socio-economic conditions vis-à-vis the role of the IMF and the World Bank. However, in the specific case of water, privatisation was linked to a series of systemic failings in the management of the WaterOrg (Dapaah, 1990; Dumoga, 1997). Some of these failings related to operational issues such as the increased volume of water losses and ineffective distribution. Others, which were more managerial related to problems of bill distribution, revenue collection, corruption and illegal connections (Aboagye-Mensah, 2001; Codjoe, 2004; Agyeman, 2007). The introduction of privatisation in the WaterOrg culminated in its partnership with the PrivateCo in the form of a management contract. The government claimed that privatisation would improve the company's financial position and coverage. This was however contested by critics, experts, and civil society groups who raised concerns particularly in relation to how the privatisation process was conducted as well as its impact on employees and the most vulnerable in society (poor). There had been resentment among employees of the WaterOrg in relations to enhanced employment conditions attached to PrivateCo expatriate staff compared to their counterparts in the WaterOrg.

**Chapter Five**

**Research Methodology**

Introduction

This chapter explains the philosophical stance underpinning this research, and the research methods used. The chapter is organised under key themes to explain my ontological approach and epistemological perspective, and explain why it was considered appropriate to use qualitative and case study research. The remaining sections outline the data collection methods, forms of data analysis, access and ethics. Potential limitations of the research are also outlined.

As explained in the introduction, the overall aim of this research was to draw on institutionalist and culturalist accounts to explain the impact of New Public Management(NPM) reforms on a range of stakeholders through case study research in the Ghanaian water sector. The more specific objectives were to:

* Critically evaluate the intellectual origins and assumptions of NPM, and consider its applicability to the Sub-Saharan Africa context.
* Identify the main reasons and counter arguments for using NPM reforms in the Ghanaian water sector, including those associated with post-colonialism, socio-economic and culturalist accounts.
* Explore the extent of implementation of NPM reforms in the WaterOrg, including the use of privatisation and public-private partnerships and the forms of consultation used.
* Identify and describe the critical success factors for a range of stakeholders (including employees and consumers) and then evaluate and explain the extent to which they have been achieved.
* Assess the potential transferability of this study’s findings to other social contexts.
* Consider the potential implications of the study’s findings for effective public management in the case study organisation and other public sector organisations in Sub-Saharan Africa.

General research questions

Having reviewed the literature, the general questions addressed in this study that informed the choice of methods and also the key themes covered within the fieldwork were:

* What are the main causes of the public sector performance problems in Ghana?
* Which factors are responsible for policy failures?
* What effective mechanisms can be instituted to bring about improved public policy performance?

Research questions specific to the water sector

Specific research questions that were also developed as a result of the literature review are:

* Why was the public-private partnership introduced into the water sector?
* What were the main concerns of Ghanaian members of the public about the privatisation process?
* How, and to what extent, were different stakeholders consulted during privatisation?
* To what extent was the partnership between the public and private sector effective?
* What have been the impacts of privatisation on organisational performance, employees and consumers?
* To what extent did formal and informal institutions impact on WaterOrg performance?
* Has the use of private / western work practices harmed or improved WaterOrg performance?
* To what extent are private / western work practices now used in the WaterOrg?

**5.1. Philosophical position**

The debates regarding the diversity of ways in which social knowledge can be acquired are well established in the social sciences. There is a consensus among social scientists that knowledge about the social world is characterised by various traditions / paradigms, each with its own assumptions about reality. Paradigm differences encourage social researchers to study social phenomena in different ways. However, it is also important to understand the research or philosophical traditions used by others (May, 2001). As well as thinking about philosophical position, it is necessary to consider how the philosophical underpinnings are linked to the methodological techniques and practices used to carry out research (Mason, 2011: 3). It could be argued that the choice of a particular paradigm depends to a large extent on the overall aims and objectives of the research, key or fundamental questions which the research aims at seeking explanations, as well as the researcher’s understanding of the phenomena under investigation. However, it also depends on the researcher's ontological and epistemological positions (Mason, 2011), which determine what counts as knowledge in a particular setting (see Bryman and Bell, 2007) and how that knowledge is acquired and evaluated. In this study, the philosophical position influenced ‘how particular questions were asked, how the methods were chosen based upon their value and relevance and how the research outputs were evaluated’ (Johnson and Duberley, 2000: 1).

Ontological perspective

Key ontological properties such as norms, beliefs, attitudes, loyalty, power, authority, associations and perceptions arguably influence the way in which researchers view the world, and more specifically also influenced how this research study was conducted.

Ontology is made up of two main strands. The first is to do with ‘social reality’, and whether data exists independently of the researcher (Hughes and Sharrock, 1997; Marsh and Furlong, 2002). My perspective is that it does exist independently. In other words, it was based on the assumption that an external reality exists which is independent of human consciousness yet, can nevertheless be known (Delanty and Strydom, 2003; see also Benton and Crab, 2011). Therefore, it could be argued that I take a realist position.

The second strand is regarding how we understand the nature of human behaviour. Can it be seen as simply a response to a stimulus, or as cause and effect? Or do humans try to make sense of the context within which they are living and working? I believe that the second is the case. The objects of study in the social sciences differ fundamentally from that of the natural and behavioural sciences, particularly in terms of complexities, general and physical characteristics (Hughes, 1990; Benton and Craib, 2001). As such, social categories such as organisation, culture, values and human behaviour are not rigid or unalterable properties of the social system that can simply be explained as the ‘outcome of action of some discrete causal variables’ (Johnson and Duberley, 2015: 5), in contrast, they are in a constant state of change or revision by the individual social actors. Therefore, it could be argued that I take an interpretivist approach to my research.

Epistemological position

Epistemology is concerned with determining what ‘truth’ is, and whether a piece of knowledge is good or not (Benton and Craib, 2001). If coming from a purely positivist perspective, then it might be suggested that it is possible to neutrally engage with the world and gather data that exists without the researcher being involved in creating knowledge (see Bryman, 2001, 2008). This approach assumes that human researchers do not ‘contaminate’ data. Those coming from a purely positivist position might choose to deductively test theory using quantitative methods.

I do not take this form of positivist approach to research. However, I do think that it is possible for qualitative researchers to try to both inductively generate theory but at the same time neutrally test the understandings of those whom they are researching. Therefore, I arguably take a neo-empiricist or neo-positivist perspective (Johnson and Duberley, 2015). It could therefore be argued that I have accepted or drawn upon the neo-empiricist interpretations that information underpinning social phenomena can be objectively and unbiasedly collected through an array of qualitative data techniques to produce explanations that are based on the participants’ understanding of the social setting (Johnson and Buehring et al., 2006: 138). In other words, although from an ontological perspective I accept that it is important to interpret human behaviour, and also accept that it is influenced by context, I arguably take a somewhat objectivist view of other people’s subjective understandings and cultures, and try to authentically represent others’ understandings and cultures, using a ‘hard-won objectivity’ (Johnson and Buehring, 2006: 7). In applying this to the research process, I have, for example, kept an audit trail of my research methods and data analysis, as will be summarised below.

**Reflexivity**

As mentioned above, I have sought to keep a careful account of how I chose to carry out this research, and how it was carried out in practice. Investigations of the social problem or phenomenon related to this research 'Evaluating the impact of NPM reforms on the water sector in Ghana' were therefore influenced by my perceptions, feelings, consciousness, and reflexivity (Mason, 2011). I also tried to reflect on my role as a researcher. I felt that it was important to recognize the diversity of deep-rooted cultural, management and emotional narratives that underpin the phenomenon (in other words, the experiences of privatisation) under investigation. At the same time, as I come from Ghana, I felt that it was important to think about how this influenced the way in which I interpreted their actions and what they said. A further consideration was that I previously worked in the WaterOrg. This meant that I had not only considerable experience and knowledge about the operations of the WaterOrg but also close ties with some members of staff. Therefore, I felt that I needed to demonstrate that every stage of the research process is traceable and logically coherent. In addition, I had prior personal experience of water use in Ghana as a consumer and was therefore aware of the challenges consumers were facing. This may have influenced the way in which I asked questions and interpreted the answers, and I needed to keep this in mind while interviewing and while analysing my data.

**5.2. Qualitative research**

The research was pursued using qualitative research techniques. There is a lack of consensus regarding the precise definition of qualitative research. The primary reason resides in the fact that qualitative research is not a unified set of techniques or philosophies but rather emerged out of ‘a wide range of intellectual and disciplinary traditions’ (Mason, 2011: 2). Most social scientists nevertheless tend to associate qualitative research with certain schools of thought within the interpretivist tradition (Delanty, 2000, 2005; May, 2001; Bryman, 2008; Silverman, 2010; Mason, 2011). Key philosophical traditions that utilise the qualitative research techniques are many, wide-ranging and include phenomenology, symbolic interactionism, realism and feminism among others (Delanty and Strydom, 2003; Bryman, 2008; Benton and Craib, 2001, 2011; Denzin and Lincoln, 2011). More simply, qualitative research is perceived as an approach that does not make use of statistical (quantitative) data (Gill and Johnson, 2010).

Qualitative research aims to gather an in-depth understanding of human behaviour and the underlying assumptions that govern such behaviour (Denzin and Lincoln, 2005; see also Gill and Johnson, 2010). Qualitative research investigates the why and how of decision making, not just what, where and when. As a result, qualitative researchers most often tend to use smaller but more focused or detailed data. They are also involved in data generation, being flexible, and sensitive to the social context in which data are produced rather than adherence to rigidly standardised events that have been extracted from real-life contexts (Mason, 2011: 3). As a result, the methods of analysis, explanation and argument building also involve an understanding of the complexities inherent in human behaviour and context (Mason, 2011). This is arguably where qualitative research seems to have been challenged by the positivist thinkers. Positivists believe that the interpretivist approach is unscientific and cannot produce valid or true knowledge of the social world (Johnson and Duberley, 2015). This is because of two main reasons. First, many authors, and particularly those who are more quantitatively oriented, have argued that it is necessary for the subjective views of the qualitative researcher as well as the individuals under study to be eliminated or excluded from the research process (Thompson, 1995; Flick, 2006; Bryman, 2001, 2008). Others such as Charmaz (2006), have argued that in co-production research that involves social interactions between researchers and participants there may be bias in interpretation and a lack of objectivity. This may be true, but as I will later explain in section (5.4.), a degree of objectivity is arguably possible and was sought, to some extent, in carrying out this research.

Second, it has been argued that the causes of social phenomena extend far beyond what is directly observable, and therefore intersubjective experiences (feelings, consciousness and emotions etc.) of the social actors cannot be fully explained or validated (Johnson and Duberley, 2015). Although this may be the case, by interviewing a range of people, it can be possible to obtain a range of views and triangulation. It has also been argued that qualitative fieldwork is based on a relatively small sample size that is only applicable to the social context in which the research was developed (Seale, 1999; Johnson and Duberley, 2015). However, it could also be argued that it is possible to apply theoretical constructs to other social settings.

As mentioned above, this research has included the use of an audit trail (Schwandt, 1997; Johnson and Duberley, 2015). According to Schwandt (1997: 6), anaudit trail is ‘an organised collection of materials generated in the study including a statement of the theoretical framework that shapes the study at the outset; explanation of concepts, models, and the like that were developed as part of the effort to make sense of the data’. This was used in this study not only as a form of record keeping but to demonstrate that every stage of the research process from question design through choice of method, to data collection and analysis is traceable, logical and critically reflexive (see also Lincoln and Guba, 1985; Hammersley, 1992). In addition, a systematic accounts of events and activities that underpinned the research process such as the use of documents, interview participants and how they were selected, generation and synchronisation of themes or concepts and the coding process have been reflexively provided as part of the audit trail for the purposes of validity, verifiability and objectivity (Johnson and Duberley, 2015). Commenting on the use of audit trails, Johnson and Duberley (2015: 7) have argued that the processes involved can show how the research was undertaken. It can also be used to demonstrate that ‘hard-won objectivity’ has been achieved (see also Johnson and Buehring, 2006). It has also been argued further that qualitative researchers do not aim to generalise because of the limited scope of the study (case study), rather, they assess whether the implications of the findings can be transferred to comparable contexts (Johnson and Duberley (2015). According to Eisenhardt (1999: 545), generalisation can be greatly enhanced by comparing the emergent theory with existing literature as part of the process to extract meanings generated from the findings to other or new settings and contexts.

Other challenges facing the qualitative researcher relate to the skills that can be deployed to demonstrate that the process of acquiring knowledge is rigorous, credible, exhaustive and convincing (May, 2001; Cassell and Bishop et al., 2009; Mason, 2011). These skills are of immense significance particularly at four key stages of the research process: data collection, data analysis, writing critique and evaluation (Cassell and Bishop et al., 2009: 520). This, according to Mason, (2011: 4) can be achieved in a variety of ways: first, if social researchers develop active skills that will help in identifying key issues and working out how they might be resolved. Second, it can be enhanced by understanding the intellectual, practical, moral and political implications of the research. Third, by employing reflexivity (see also Reason and Rowan, 1981), which is critical awareness of the aims and objectives against the backdrop of the researcher’s understanding, influence or behaviour of the research setting.

The fieldwork was planned cautiously in order to derive the best possible outcomes from participants. It was intensive, in-depth and focused. This made re-visitation possible in instances where further information and verification from participants was needed (Baxter and Eyles, 1997). The use of a mixed method approach enabled data triangulation (Easterby-Smith et al., 2008) and the use of NVivo data analysis tools 'generated confidence that the research was both rigorous and internally valid' (Dibben, 2006: 662). In spite of the concerns over qualitative research, it has been found to produce high-quality research (Hewerdine and Welch, 2013; Chung et al., 2014). Qualitative research techniques and in particular, the use of semi-structured interviews have made important contributions to knowledge across a range of fields of study including management (Meyers and van Woerkom, 2014), HRM (Chung et al., 2014), PPPs, alliance and international business (Gomes et al., 2014; Beamisha and Luptonb, 2015) and public sector studies (Fenwick and Gibbon, 2015; Liu and Yuan, 2015).

**5.3. Case study research strategy**

The Ghana Water Company referred to within this thesis as ‘WaterOrg’ was used as a case study. A lot has been written about case study research in social sciences (Yin, 1981a, 2003, 2009; Baxter and Jack, 2008; Thomas, 2011). Most authors agree that case study research can be either descriptive or explanatory, or a combination of both, and involves analysis of events, persons, groups or organisations (Stake, 2000; Bryman, 2001, 2008; Yin, 2003; Thomas, 2011). For the purpose of this research, a combination of both approaches (explanatory and descriptive) was explored in an attempt to understand and explain the issues surrounding public-private partnership in the water sector in Ghana.

The overall objective of case study research is to contribute to an understanding of circumstances underlying a particular event, behaviour or course of action (Yin, 2003). According to Yin, (2003: 1) case study is appropriate on three different accounts: when the ‘how’ and ‘why’ questions are being contemplated or posed, when the researcher has little control over events and thirdly when the focus is on a “contemporary phenomenon within a real-life context”. Therefore, a case study approach was of value for this research, since each of these factors was pertinent to the situation under study.

Case study research thus involves an in-depth examination of a particular case, mainly to provide insights into an issue upon which some generalisations can be made (Stake, 2000; Mason, 1996; Yin, 2009; Silverman, 2010). Mason (1996: 6) for instance, has argued that qualitative researchers should not 'be satisfied with producing explanations which only illuminate their particular piece of research. Rather, qualitative researchers should aim at producing explanations which are generalisable in some way, or which have a wider resonance'. Although it is not being argued that the findings of this research are ‘generalisable’ to other settings, nevertheless, there may be transferability of lessons to other social contexts.

A purposive sampling strategy has been proposed as one of the most suitable approaches for case study research (Denzin and Lincoln, 1994; Silverman, 2010). This is due to the fact that purposive sampling demands that researchers think critically about the parameters of the population under investigation before choosing the sample case carefully (Silverman, 2010). Case study researchers have also been urged to make use of theoretical sampling (Mason, 1996; Bryman, 1988). Bryman (1988), for instance, argues that qualitative research follows a theoretical path rather than statistical logic: For him, 'the issue should be couched in terms of the generalisability of cases to theoretical propositions rather than to populations or universes' (Bryman, 1988: 90). Mason (1996) views theoretical sampling therefore as a process by which research study groups or categories are selected based on their relevance to the research questions or theoretical position, as well as on the explanation or account to be developed. In this research, a wide range of stakeholders who have knowledge about issues underpinning the Ghanaian water privatisation either through involvement and impact were selected to contribute to the understanding of the research topic.

The unique strength of case study research lies in its ability to draw on a variety of evidence such as documents, interviews, and artefacts (Yin, 2003, 2009). Its significance in the context of this research is also captured in words of one observer as follows: 'the essence of case study is that it tries to illuminate a decision or set of decisions: why they were taken, how they were implemented, and with what result' (Schramm, 1971 in Yin, 2003). Although Yin refers to a range of case study designs (such as multiple embedded etc.), this research was based on a single case study design (Yin, 2003). This is because it was the most appropriate design, given the focus of this research.

**5.4. Data collection methods**

The main method of field investigation adopted for this study was face-to-face, semi-structured interviews. The face-to-face semi-structured interview has been found to be most appropriate with case study research involving senior public officials when there is significant interest in the participant’s point of view (Bryman, 2001). It involves soliciting views and opinions of targeted individuals to explain and contribute to the understanding of social phenomena. However, this method was complemented by documentary materials collected from relevant sources such as the WaterOrg, Public Utility Regulatory Commission (PURC) and other departments. In effect, two main approaches to data collection, interviews and the review of documentary evidence were used in a form of triangulation in this study. In addition, non-participant observation was also used as a supplementary method during the fieldwork (Bell, 1993; Hammersley, 2007; Gill and Johnson, 2010).

It was important to link the methods to the overall research questions and objectives. This is shown in the figure below.

Figure 5.1. Linking research objectives, questions and methods

Research Methods

Research Questions

Research Objectives

Critically evaluate the intellectual origins and assumptions of NPM, and consider its applicability to the Sub-Saharan African context.

Why was NPM reform (privatisation) introduced into the WaterOrg?

Identify the main reasons and counter arguments for introducing NPM reforms into the WaterOrg, including those associated with post-colonialism, socio-economic and culturalist accounts.

To what extent did socio-economic, post-colonial influences, formal and informal institutions impact on WaterOrg’s performance?

Observation

What are the causes of public sector performance problems in Ghana?

Explore the extent of implementation of NPM reforms in the WaterOrg, including the use of privatisation and public-private partnerships

How was the privatisation (public-private partnership) carried out in the Ghanaian WaterOrg?

Interviews & Documents

Identify and describe the critical success factors for a range of stakeholders (including employees and consumers) and then evaluate and explain the extent to which they have been achieved.

What are the impacts of NPM reforms on WaterOrg’s employees and consumers?

Assess the potential transferability of this study’s findings to other social contexts.

Are any of the key findings of relevance to other privatisation initiatives in Ghana or elsewhere?

Consider the potential implications of the study’s findings for effective public management in the case study organisation and other public sector organisations in Sub-Saharan Africa.

Are there any lessons that could be useful for the Ghanaian WaterOrg or for other public sector organisations in Ghana?

Source: Author

As explained above, the objectives were formed into research questions through having read the literature. Figure 5:1 above demonstrates how the research objectives were explored by a range of questions. Information underpinning each question was gathered using the appropriate methodological tools: interviews, documents, and observation.

The study thus utilised the principles inherent in a multi-method approach, which is an intersecting set of different research methods within a single project (Denzin, 1978; Gilbert, 2008; Shank, 2007; Creswell, 2011). There is lack of consensus among social science commentators as to whether mixed methods should mean reliance on a single method of multiple sources of data (Shank, 2007; Vogt, 2008; see also Tashakkori and Teddie, 2003) instead of collecting both qualitative and quantitative data. However, in this study, there was a reliance on qualitative data. The reason for adopting the multi-methods approach was to enhance data collaboration from various stakeholders in an attempt to answer the research questions (Philip, 1998). There is the possibility that the use of any one method would not have provided enough scope to capture all the crucial and complex issues underpinning the research questions (see Meth and McClymont, 2006). The use of multiple data sources was of paramount importance, particularly in Ghana due to the perceptions of corruption and mismanagement (Pellow and Chazan, 1986; Appiah, 1998; Christensen, 1998). As a consequence, there is the greater tendency that politically sensitive secondary data will lack some degree of credibility (see Davies, 2001). Hence, the credibility and dependability of politically sensitive documents ought to be authenticated from multiple sources (see Meth and McClymont, 2006). Also, due to the fear of intimidation and reprisals, public officials may be unwilling to provide details of politically sensitive information. Therefore, it was important to interview a range of stakeholders.

**5.4.1. Personal interviews**

Personal interviews are a face-to-face interpersonal interaction role in which an interviewer asks respondents questions designed to elicit responses that are relevant to the research process (Nachmias and Nachmias (1996). The interviews took place in Ghana and covered a two months period from 25-04-2014 to 25-06-2014. Prior to the commencement of the field work, five pilot interviews were undertaken with some selected individuals to check on the flow and suitability of the interview questions. The pre-testing process was particularly useful for three main reasons: first, I became aware of the challenges involved in conducting face-to-face interviews. Second, it enabled me to gain insights into areas where a further adjustment in the structure of the interviews was necessary. For instance, it provided me with clues concerning areas where probing for vital information could be valuable without compromising on individual’s sensitivity. Third, it improved my awareness of how to tailor the questions to suit the individual participant in order to maintain the flow of the conversation and avoid asking inappropriate questions.

The success of semi-structured interviews is widely believed to depend significantly on the structure, particularly in relation to how questions are asked, style of wording and the sequence of questions (Nachmias and Nachmias, 1996; see also Silverman, 2005; Tanggaard, 2008). This approach is also useful because it enables qualitative information underpinning the research to be explored by the researcher who can consequently seek explanation and clarification of the answers given. These factors were taken into consideration in the design of the interview protocols used for this research. This approach did not only ensure that questions were used as a guide rather than rigidly employed (Fielding, 1988a) but also allowed me more flexibility to move beyond the questions than a more standardised form of questioning might have implied (May, 1997).

Due to the political sensitivity underpinning the research topic, as highlighted in chapter two, the research questions were designed to take account of the interviewees’ backgrounds such as those relating to their political beliefs or, cultural and tribal origins and so on. The semi-structured interviews allowed participants to answer questions more on their own terms than a standardised interview would have done (May, 1997; Flick, 2006; Mason, 2011) and also provided enough scope for comparability. The use of semi-structured interviews also enabled me to follow up on ideas, investigate motives and biases and probe responses (Bell, 1993).

Flick (2006) has argued that interviewees tend to have a complex stock of knowledge about the topic under study, and interviewees can express views spontaneously using open-ended questions. Using different types of questions such as those that are closed and open, together with prompts and probes might elicit a range of insights. Therefore, this approach was used in constructing the interview. Mason (2011) has emphasised the importance of certain core characteristics for the researcher such as listening and remembering what people say and what the researcher has asked, and the skills to achieve a balance between talking and listening in different contexts. Other skills include the ability to be a good observer in order to be able to pick the important verbal and non-verbal clues such as body language, tiredness, and anger and so on, and awareness of practicalities underpinning field research such as field note taking (Mason, 2011: 75). My awareness of this helped to inform how I carried out the research.

Semi-structured interviews have certain advantages (Nachmias and Nachmias, 1996) including flexibility in the questioning process and yielding of a high response rate. It also allowed me to determine the wording of the questions, and to clarify terms that were unclear. Disadvantages can relate to the high cost involved, particularly in relation to recording, editing and processing the information obtained (Nachmias and Nachmias, 1996). However, this did not impede this research. Also, a lack of standardisation in the order and structure of interviewing process implies that semi-structured interviews are more vulnerable to interviewer bias. However, as stated above, this and other potential weaknesses were overcome by researcher’s reflexivity - acknowledging my own assumptions.

**5.4.2. Documentary evidence**

The study also made extensive use of documentary materials. Atkinson and Coffey (2004) have argued that organisations and other research settings have a variety of ways of representing themselves collectively both to themselves and to others, one of which is through documentation. Documents are sometimes written in a language which is accessible only to members of that organisation, setting or people who are quite familiar with the setting. However, due to my background as a Ghanaian and a former employee of the WaterOrg I was able to understand the broad setting. Documents were collected using both the library and electronic or digital resources. The library research concentrated on the search for materials/documents that related either directly or indirectly to the key issues underpinning the research such as NPM, privatisation, and public management in Ghana. A documentary search was conducted in the U.K., primarily at the University of Sheffield library. Further, library research was conducted during the fieldwork in Ghana. This was undertaken in the following institutions: WaterOrg library, University of Ghana, Ghana Institute of Management and Public Administration (GIMPA) and the Public Utility Regulatory Commission. Data from these sources provided me with enough scope to check the consistency, reliability, and authenticity of the other secondary official documents. It also served as a significant source of reference to check and corroborate interviewee responses, where appropriate. In spite of its relevance in aiding the research process, Atkinson and Coffey (2004) have cautioned against the over-reliance on the use of documents. According to them, documents are social facts in the sense that they are produced, shared and used in socially organised ways. In addition, documents may not represent the true identity of organisational routine decision-making processes. Therefore, no matter how official document may seem it is necessary not to treat records as firm evidence of what they report (Atkinson and Coffey, 2004: 58).

Based on the cautionary advice from (Atkinson and Coffey, 2004; see also Mason, 2011), this research paid attention to issues of authenticity, reliability, misrepresentation and meaning when analysing all documents that were collected (Scott, 1990). Attempts were also made to screen and scrutinise documentary materials in relation to its sources of origin, how it was generated, what it said, the author’s background and political inclination and whether it had been altered, edited or manipulated in any way (Bell, 1993; Prior, 2004).

**5.4.3. Non-participant observation**

Non-participant observation was also used as a source of data gathering. According to Gill and Johnson (2010: 161), non-participant observation can be used as a supplement to provide valuable information on the research setting without necessarily being involved in the interactions with the individual members. In this study, this approach was used to gather valuable information such as the strategies being used by consumers to cope with the water supply situation that both interview and documentary materials were unable to adequately provide (Gill and Johnson, 2010; Hammersley, 2007; see also Bell, 1993). The observational approach was useful for this research particularly in view of the fact that two institutions were involved in water sector management in Ghana: the PrivateCo contracted to manage the water supply and delivery system and the WaterOrg, the latter parent institution tasked with the responsibility of maintaining the distribution network as well as monitoring. Also, because I had previous experience and recollection of events and practices as a former employee of the WaterOrg, this enabled me to observe the current work practices as well as the water supply situation and some coping strategies being used by consumers.

Information or data gathered through the observation were collected in two main ways: first, through regular visits to the WaterOrg Head Office and Accra / Tema Regional Office (ATMA) as well as some key district offices where the bulk of WaterOrg operations were carried out. Second, through various trips to some districts to see how consumers were coping. This approach enabled me to critically evaluate whether information collected through the interviews and documents were the true reflection of empirical practices, and particularly the issues that participants were unwilling to discuss (see Patton, 1990). For example, some senior managers of the WaterOrg appeared not to have seen any positive outcome from office renovation and associated computerisation initiative undertaken by the PrivateCo. However, regular visits to some WaterOrg offices gave me a different impression. It also enabled me to gain informed knowledge about how departments were relating to each other, working practices and power relations within the WaterOrg. The information gathered was consequently used for data triangulation and paved the way for a critical assessment of the research data. This was subsequently used in the analysis to enhance the validity and reliability of the data obtained from the other two methods (interviews and documents) (Silverman, 2010).

Gill and Johnson (2010) have argued that non-participant observation has its underlying problems such as lack of access from the participants and proper understanding of the ‘cultural underpinning of participant’s overt behaviour and actions’ (Gill and Johnson, 2010: 164). It has also been noted that it can be very subjective and lead to bias in interpretations (Easterby-Smith et al., 2008). Wessels (2007), on the other hand, has argued that through observation important clues underpinning the participants’ behaviour, culture or setting can be ascertained, to deepen or improve researcher’s understanding of how that phenomenon is constructed (Wessels, 2007: 46).

**5.4.4. Sample selection**

The institutions and agencies were selected based on their involvement in carrying out privatisation under a management contract in the Ghanaian WaterOrg. Their inputs to the advisory committee undoubtedly influenced how the contractual terms and agreements were drafted. In view of this, and in view of my research questions, I deliberately used purposive sampling techniques and carefully selected samples (participants) from a range of stakeholders to get the information needed. Thus, the use of purposive sampling was based on my prior knowledge and judgement (Denzin and Lincoln, 1994: 202). In addition, a snowball sampling technique, where existing research participants indicated the names of other relevant contacts was used (Baxter-Moore et al., 1994: 337). This approach was of immense significance to this study for two main reasons. First, it enabled me to gain valuable information from Directors and Chief Managers in public organisations who provided further names of relevant people to contact. Second, and more importantly, it also facilitated easy access to other key stakeholders with vital information on the management contract between the WaterOrg and the PrivateCo. Thus, a snowballing approach facilitated access to places where the response to previous formal contacts through emails and personal visits had not been promising. As a result, I was able to gain valuable information from people who were instrumental in designing and implementing the partnership project (management contract) between WaterOrg and PrivateCo. It could be argued that this technique had certain weaknesses in relation to selection bias and unrepresentativeness. Nevertheless, it was instrumental in providing clues and led to people with vital information for this research.

In summary, the sample groups of this research consisted of the following: lower and senior level officers of the WaterOrg, Consumers (domestic and commercial), government officials, civil society groups and representatives from the employees union and World Bank groups. The sample groups and the techniques used are presented in table 5.1 below.

Table 5.1. Number of respondents and the sampling techniques used for this research

|  |  |  |
| --- | --- | --- |
| **Stakeholders** | **No. of Respondents** | **Sampling Techniques** |
| Government Officials | 5 | Purposive and Snowballing |
| Independent Regulator | 1 | Purposive |
| Civil Society Groups | 2 | Snowballing |
| World Bank | 1 | Snowballing |
| PrivateCo | 1 | Snowballing |
| WaterOrg Officers | 29 | Purposive and Snowballing |
| Consumers | 13 | Purposive |
| Union | 2 | Snowballing |
| Total | 54 |  |

Source: Author Fieldwork, 2014

**WaterOrg**

At WaterOrg, data was collected from high, middle and low-level officials. High-level management staff consisted of the following: 6 Head Office staff and 3 Regional Managers from the Greater Accra-Tema Regional (ATMA). Individuals from the above two offices were purposefully selected due to their role and strategic position in the company vis-à-vis the overall implementation of the management contract. Data from middle-level staff was collected from district management team. To ensure that the views of a particular group of participants did not become dominant in the research process, 10 District Managers representing about 55 percent of their members were selected. Similarly, 10 lower level staff consisting of customer care assistants were also purposely selected 3 each from Accra east and west regions and 4 from Tema region. The interviewees were asked to express their opinions on a range of questions surrounding the implementation of the management contract between PrivateCo and WaterOrg.

Officers in the WaterOrg were selected from the Greater Accra Region as that is where the majority of the company’s senior officers who were instrumental in the implementation of the management contract are located. Although I had formal written access to conduct the research in the WaterOrg I also had formal conversations with officers in the districts as part of the access negotiation process. In some public organisations including the Regulator, as part of the working procedures, I had to show a formal letter from Sheffield University to obtain some legitimacy. It has to be noted here that the WaterOrg officials who were selected for this study were part of nearly 2840 staff of the WaterOrg workforce that was seconded to the PrivateCo under the terms of the management contract. After the management contract had ended and the management of the sector reverted back to the WaterOrg, all of them had been transferred back to the WaterOrg, their parent organisation. The only exception was one director who was appointed by the government in power to manage the WaterOrg during the implementation period but was subsequently removed after a change in government.

**Consumer groups (domestic and commercial/industrial)**

For the purposes of water distribution and management, Accra is divided into three main parts: Accra west region, Accra east region, and Tema region. Accra west and Accra east are further divided into 5 districts each while Tema is divided into 8 districts with some relatively very new. For this reason, 2 consumers each were purposely selected from 3 districts in both Accra west and Accra east districts while 2 consumers each were selected from 4 districts in Tema. In all, 20 consumers from 10 out of 18 districts in the Accra - Tema region were purposely selected to express their views and opinions on the management contract. However, due to data saturation occurring in situations where the same responses were elicited from research participants’ (see Baker and Edwards, 2012), consumers’ numbers was decreased from 20 to 13. The objective of water privatisation was to improve water accessibility to the final consumers. Information collected from this group of participants, particularly relating to water supply, tariffs and the extent of the consultation process, therefore enhanced the quality of the research findings.

**Civil society groups (involvement in water privatisation)**

Some members of the general public became actively involved in the implementation of the management contract between the WaterOrg and the PrivateCo. Some were very much against water privatisation, while others were neutral or had quite moderate views about it. These individuals, and in some cases the groups they represented, acted as the mouthpiece of the public and drew their attention to the implications of the water privatisation in Ghana. The groups that were actively involved were: the Integrated Social Development Centre (ISODEC) and the Coalition of Non-Governmental Organisation for Water and Sanitation (CONIWAS). The former, on the other hand, was very critical of the government drive toward private sector participation in public water provision. Therefore, two civil society members were selected one from each group using both purposive or snowball sampling techniques to express their opinions on water privatisation in Ghana. The selection was done to ensure balanced representation of opinions among civil society members. The snowball approach on the hand was very useful and effective as respondents were difficult to reach due mostly to the political sensitivity attached to the topic and their time commitments. It nevertheless enhanced the quality of my data, particularly in terms of differences on opinion and the extent of their involvement.

**Government officials and other interest groups**

At the governmental level, data was purposely collected from senior level officers in the following public institutions: the Regulator, Govt1, Govt2, and Govt4. The activities of the above public institutions impacted on and related directly to, the operations of the WaterOrg. The WaterOrg for instance operates under Govt1. The ministry (Govt1) is responsible for formulating policies, directing and sourcing funds for the management of the water sector. The Regulator, on the other hand, is responsible for fixing water tariffs and regulatory framework governing the provision of utility services to customers. The Govt2 and Govt4 also provide monitoring, advisory and supervisory duties to public institutions such as WaterOrg in matters of divestment and performance related issues. Thus, the above institutions have been involved either directly or indirectly in the implementation of some form of NPM reforms in Ghana generally or in the WaterOrg specifically. It was imperative therefore to interview key officers in these institutions to establish the extent of their involvement and other issues associated with the implementation of the management contract in the water sector. Data was also collected from a representative of the World Bank and also covered the union perspective within WaterOrg. Attempts to reach PrivateCo expatriate management team for their opinion proved very difficult as they were out of the country. However, a Ghanaian senior manager who acted as a deputy when they were on leave and currently works as a private consultant was contacted through snowballing to express his/her opinion on the project.

In all, 54 face-to-face semi-structured interviews were conducted during the fieldwork, 30 of which were administered across a diversity of officers in the WaterOrg. This consisted of 6 Head Office officials, 3 Regional Managers, 10 District / middle-level officers, 10 lower level officers and 1 union representative. The remaining 24 consisted of the following: 5 government officials, 13 consumer groups, 2 civil society group members, 1 representative each from the Public Utility Workers’ Union (PUWU), the independent regulator, the World Bank and the PrivateCo. The rationale for interviewing various groups of participants was to obtain a diversity of opinions on issues underpinning the implementation of the management contract in the water sector.

A table showing the number of interviews conducted across various stakeholders is presented below.

Table 5.2. Composition of interviews across stakeholders

|  |
| --- |
| \*Top Head Office Managers 6  \*Regional Managers 3  WaterOrg Officers \*District Level Managers 10  \*Lower Level Staff 10  \*Union Representative 1 |
| \*Domestic 10  Consumers \*Commercial / Industrial 3 |
| Government Officials 5 |
| Independent Regulator 1 |
| Civil Society Groups 2 |
| World Bank 1 |
| PrivateCo 1 |
| Utility Workers Union . 1 |
| Total 54 |

Source: Author

**5.4.5. Triangulation of data**

Data triangulation is a concept that is frequently mentioned in social science research and can be based solely on either qualitative or quantitative research techniques or a combination of both (Denzin and Lincoln, 2008). It is widely conceived by most scholars as the use of different sources of data in a single study (Denzin and Lincoln, 1998, Flick, 2006; Johnson and Duberley, 2015). Using different methods in a single case can reduce the likelihood of misinterpretations that could potentially result from over-reliance on a single method. This is primarily because each method provides a different perspective on the research context, and therefore using multiple methods enables the strengths and weaknesses inherent in a particular method ‘to be canceled out to produce more convincing findings’ (Gill and Johnson, 2002: 201). It can also lead to an in-depth understanding of the research context ((Denzin and Lincoln, 1998, 2008; Bryman and Bell, 2015), strengthen (Gill and Johnson, 2002) and improve confidence in the findings generated (Denzin and Lincoln, 2008). Thus, the findings generated using multimethod techniques have greater validity than one based on a single methodological approach (Gill and Johnson, 2002). In this study, there was the use of interviews, observation and secondary sources. A quantitative approach was not adopted for this study as it did not have enabled the deeper understanding of participants’ feelings and attitudes which was perceived to be necessary for this research (Bryman and Bell, 2015). The use of the selected research methods in the context of this study does not suggest that one method is superior to others. In contrast, the methods used complement each other by allowing different reflections on the research context and thereby strengthening the validity of the research findings.

Another potential form of triangulation is the use of different data sources but within one method (Bryman and Bell, 2007). In this study, there were interviews with a range of stakeholders. Although the questions varied, depending on the anticipated areas of expertise and knowledge of each participant, certain themes were covered in interviews with more than one type of interviewee. For example, public sector officials, members of the public, and organisations representing members of the public were asked about the level and nature of consultation prior to privatisation. This meant there was a comparison of understandings and complementary evidence, giving greater confidence in the findings (Bryman and Bell, 2007).

A further possible form of triangulation is the use of multiple researchers, to enhance data collaboration (Philip, 1998). This might enable the clarifying and verify of meanings and interpretations underpinning the research findings (Denzin and Lincoln (1998, 2008). This could be important because social research is an interactive process underpinned by a wide range of influences: power and politics, gender, social class, race, background as well as competing for philosophical traditions. As a result, what is considered to be the ‘real’ or ‘objective’ truth can be contested and difficult to ascertain (Denzin and Lincoln, 1998, 2008). In this study, the use of multiple researchers was not employed. However, there were detailed discussions with my supervisor regarding my interpretation of the data and the reporting of findings.

Related to the above, triangulation can also take the form of drawing on multidisciplinary perspectives to interpret the findings of a particular research project (Bryman and Bell, 2015). This approach is mostly referred to in social research as theoretical triangulation (Denzin and Lincoln, 1998, 2008). The underlying assumption of this research strategy is that if the interpretations of evaluators from different disciplines are the same, then, the findings appear to be authentic and therefore could be relied upon. This approach, however, was not used for this study as it was considered not to be the most appropriate particularly due to time constraint (see Thurmond, 2001; Casey and Murphy, 2009).

In sum, triangulation is a useful research tool which comes in various forms and with different challenges. The prime objective, however, was to improve confidence and validity of the research findings. The choice of which approach to adopt arguably depends upon the nature of the research and the intended outcomes.

**5.5. Research limitations**

According to the interpretive tradition, social facts (issues) can be investigated and explained only from the point of view of people who live in that community, participate and have a shared understanding of the cultural dynamics. As a Ghanaian citizen and a former employee of the WaterOrg who is well versed in Ghanaian customs and traditions as well as organisational life, understanding of the research participants and issues surrounding the research setting did not pose any significant challenge to me. My suitability for this research was also underpinned by my good personal relations with most of the employees (senior and junior) officers in the WaterOrg. With this advantage, I did not anticipate encountering many difficulties collecting data for this study. There were some challenges though with respect to access and interview scheduling. For instance, attempts to contact the PrivateCo expatriate management team and private contractors were unsuccessful. In one particular instance, I had to meet a senior public official at 6 o’clock in the morning at his office to conduct the interview because of his time/office commitments. There were also a few cancellations and re-scheduled of interview appointments to accommodate participants’ other commitments.

It is recognised that personal interviews have some potential drawbacks. These include interviewer bias, high costs involved in selecting, traveling, recording and processing of the interview data; and lack of anonymity as to who might have answered the questions (Nachmias and Nachmias, 1996; May, 2001). To address the above limitations, questions were kept relatively simple, short and straightforward (Bryman, 2001: 150). Most of the questions were also open-ended in such a way as to encourage respondents to talk freely. Attempts were also made to avoid asking sensitive questions that the interviewees were unlikely to answer. The interview process was recorded, subject to the consent of the participant. However, in instances where participants did not wish to be recorded, I resorted to note-taking as an alternative to giving participants choice and flexibility. The interview process took place at the respondent’s premises (offices) and lasted between 30-90 minutes. This proved very useful as respondents felt more comfortable, and had the freedom and confidence to express themselves (Valentine, 1999). Wiles et al. (2005: 92) have noted that people talk for a variety of reasons, and hence researchers should not only look for patterns particularly in terms of consistencies and differences in content but also recognising the functions and consequences underpinning the talk. Blaxter et al. (2001) observe that researchers have significant power and influence over their entire research project. Their motivations, values, and opinions influence their choice of topics, methodology, and how responses are reported and acted upon (Blaxter et al., 2001: 15). Davis et al. (2010) have suggested several ways in which interviewers can affect the validity of interview responses. These include the social characteristics of interviewers themselves and interviewer expectations of the activity itself. Within this research, attempts were also made to ensure that these influences were minimised.

Blaxter et al. (2001) further argue that such influences are inevitable. They suggest that the researcher’s self-awareness helps to minimise any tendencies of bias. In choosing to use semi-structured interviews I was not only aware but also kept reflecting on my subjective influence on the project. Attempts were also made to respect the personal information I received from the respondents and I took extreme care to observe confidentiality and preserve anonymity. This helped me to gain trust from the participants who in diverse ways expressed their opinion freely and confidently. There, therefore, appeared to be a sense of consciousness among the participants that this study did not intend to applaud or blame some people for good or bad practice in public sector organisations, particularly the WaterOrg. Rather, it ignited an interest that it was about examining ways of making the public sector work effectively to address the increasing public demand.

**5.6. Data Analysis**

Analysis of the data was undertaken using the NVivo qualitative software package. As indicated above, data analysis for this study commenced after transcribing interviews manually into the NVivo qualitative analytic software. Several ways of breaking down qualitative data into manageable interpretivist schemes have been suggested (Lincoln and Guba, 1985; Strauss and Corbin, 1990; Spiggle, 1994; Miles and Huberman, 1994). Spiggle (1994) has argued that analytic and interpretivist skills can be significantly enhanced if researchers are able to establish or develop frameworks to guide the construction of meanings. Spiggle (1994) has consequently cited a variety of ways in which qualitative data can be operationalised such as categorisation, abstraction, and comparison. It has also been argued elsewhere that qualitative data analysis is about ‘working with data, organising it, breaking it into manageable units, synthesising it, searching for patterns, discovering what is important and what is to be learned and deciding what you will tell others’ (Bogdan and Biklen, 1982: 145).

Data analysis aimed at generating themes, patterns, and conceptual frameworks (Easterby-Smith et al., 2008), that were useful in the interpretation of the findings. To achieve this, the research was divided into four main sections and assigned to specific themes or labels through coding. These were the rationale for privatisation, outcomes for the Government WaterOrg and the PrivateCo, impact on employees, and impact on consumers. Miles and Huberman (1994: 58) for instance, argued that coding is an effective way of organising and retrieving qualitative data. The themes were further divided into sub-themes on the basis of the information emerging from the research participants. One of the sub-themes for example, that emerged under rationale for privatisation was lack of investment. In creating this sub-theme all the interview transcripts were thoroughly read. What each research participant said in relation to lack of investment was identified and coded onto the created node (lack of investment). The themes were subsequently and critically analysed by grouping them together and also looking for similar/common descriptive/narrative patterns to produce the research findings. The unique strengths of NVivo for the analysis were underpinned among other things by its processing attributes and flexible coding system (Easterby-Smith et al., 2008). This permitted the incorporation of some of the qualitative data techniques highlighted by Spiggle (1994) and others above. The flexibility inherent in the coding system known as nodes allowed codes to be shifted or moved around based on their relevance to themes and sub-themes. In some cases, when it was necessary, the flexibility enabled me to identify and explore further for additional information differences and similarities of opinions expressed by the participants (see Strauss and Corbin, 1990; Spiggle, 1994). NVivo's flexibility also permitted the creation of sub-nodes (codes), renaming or merging of texts some of which were automatically updated without the need for further re-coding the text (Easterby-Smith et al., 2008: 187). This enhanced data interrogation (Lincoln and Guba, 1985) and provided me more scope for checking the consistency of interpretation underpinning the codes to improve understanding of the setting (Easterby-Smith et al., 2008). The text retrieval section of the programme also enabled me to readily identify what respondents have said under different themes. As a result, quotations from specific sections were easily identified to compare and contrast opinions expressed by the respondents. Seale (2000) argued that the effectiveness of NVivo is underpinned by its speed and rigour. The speed relates to the software processing abilities in terms of pace to sort, organise and search through a large data set in a matter of moments. The rigour, on the other hand, refers to Nvivo’s ability to identify occurrences of both positive and negative patterns underpinning participant texts to enable the researcher to present a fair and balanced account of events. In the analysis of this study, these claims nevertheless proved to be very useful. In short, the flexibility inherent in the NVivo software package enabled me to move back and forth throughout the analysis process and consequently enhanced the development of conceptual frameworks (Spiggle, 1994: 495). For example, because of the flexibility, I was able to move, copy and paste related concepts such as corruption or consultation and how different interviewees described it together. This consequently, enhanced my understanding and development of theoretical concepts. It was also very easy and effective to work across different nodes (and see quotes from a number of interview scripts) simultaneously in one dialogue box.

Figure 5.2. Showing a framework of the research process

Literature reading to allow sensitisation to relevant concepts

Development of research questions

Face-to-face interviews supplemented by document searches and observation

Generation of key themes

Data reporting

Data transcribing and editing

Data coding & entry using NVivo

Reviewing literature

Grouping of related themes

Source: Author

In summary, the figure (5.2.) above explained the various stages of the research process. It demonstrates that problem identification was followed by the search for the literature materials relevant to the topic. This enabled an understanding of the research context, question design and the subsequent selection of appropriate methods to answer the questions. As such, three methods were used: interviews being the main one and supplemented by document and observation. The study then proceeded to data collection, analysis and interpretations after which the findings were evaluated and reported.

**5.7. Ethical considerations**

One of the principles in social research is that those who are researched should have the right to know that they are being researched and that in some sense they should have actively given their consent (Gilbert, 2003, 2008). As a result, participants in this research were informed that they had been selected as part of the process leading to a Ph.D. thesis to contribute to an understanding of the 'Impact of NPM reforms (public-private partnership) on the water sector in Ghana'. Participants were also asked to sign consent forms to demonstrate their willingness to participate in this research.

Shakespeare et al. (1993) have argued that the researcher’s background and what they represent and the project’s objectives play a crucial role in the access negotiation process. As such, this should be communicated clearly and explicitly to the respondents and settings at an early stage to engender trust building relations (see also Reason and Rowan, 1981). In view of this, I introduced myself to the participants as a Ph.D. student interested in public sector reforms and conducting a study into the circumstances surrounding the implementation of the management contract in the water sector in Ghana. I also communicated to the respondents the methods I was going to use, as well as their right to opt out at any time. Ethical issues such as respondents’ feelings and emotions, how they behaved, acted and reacted to the questions were addressed through reflexive thinking to minimise their impact. The effort was also made to ensure that the interviewees were not placed under undue stress, risk or conflict with their work ethics. To enhance the prospect of gaining valid and useful information I was very tactful during a conversation with interviewees and ensured that sensitive issues such as those relating to the political and structural dynamics of the organisation did not overshadow the whole process. Protecting the anonymity and confidentiality of research participants is also one of the challenging ethical concerns in qualitative interview research (Shakespeare et al., 1993; Bailey, 1996; Singleton and Straits, 1999). In view of this, I ensured that the identities of participants such as names, address, and gender were not known or replaced for the purposes of confidentiality and anonymity. I also followed the necessary processes/procedures and exercised good sense of judgement to prevent any potential harm being caused to any of the interested parties (such as the participants, wider population and myself) (Fontana and Frey, 1994; Bailey, 1996; Burton, 2000; Blaxter et al., 2001). As Punch (1986) puts it ‘as fieldworkers we need to exercise common sense and moral responsibility first to our subjects, second to the study and lastly to ourselves’ (Punch, 1986 in Fontana and Frey, 1994: 373). In order to gain participants’ trust in relation to anonymity and confidentiality, therefore, I made it clear to them that this piece of research was for academic purposes and that all information collected from participants’ would be kept securely at Sheffield University in fulfillment of the University’s ethical guidelines. Raw data including recorders, sensitive documents and transcripts would also be stored securely for the appropriate period of time according to the requirements of the University ethics committee. I also made them aware of their right to withdraw from the research at any time during the process of data collection.

In summary, this chapter has explained the philosophical stance underpinning this research, and the research methods used. I argued from the onset that there are various philosophical traditions or paradigms for understanding and conducting social research. This study, however, adopted an interpretivist / neo-empiricist perspective and utilised the techniques associated with qualitative-case study research methods. This research adopted the position that in order to understand the impact of water privatisation on various stakeholders in Ghana, particularly on employees and consumers, their views and opinions should underpin the research process. I also had some understanding of the culture and the social context of the research as a Ghanaian and former employee of the WaterOrg. Critics of qualitative researchers believe that it is difficult for the subjective influences of social researchers as well as the individuals under study to be eliminated entirely from the research study. I was nevertheless, aware and critically reflexive of my role as a researcher and that helped me to avoid or minimise any situations where bias could occur. The use of qualitative case study thus contributed to my understanding of the issues associated with the Ghanaian water privatisation. The main method of field investigation adopted for this study was face-to-face, semi-structured interviews. This technique allowed research participants to answer questions on their own terms. It also enabled me to follow up on ideas, investigate motives and biases and probe responses. Because it was reassuring to the participants who in diverse ways expressed their opinion freely and confidently, I also gained their trust. This was however supplemented with documentary material and non-participant observation. Data for the research were collected across a range of stakeholders’ including government officials, WaterOrg officers, civil society groups, consumers and representatives from the World Bank and employees union. Data was collected through purposive and snowball sampling techniques. Information gathered were consequently analysed using NVivo qualitative software package to produce or develop key research themes and findings. There were some limitations and ethical issues particularly in relation to access and the scope of the study which has been acknowledged.

Chapter Six

Findings on Water Privatisation in Ghana

**Introduction**

The previous chapter discussed the methodological assumptions underpinning this research, the research methods and the research process. It was explained that semi-structured face-to-face interviews were used as the main source of empirical data, complemented by documents and observation.

As explained in chapter four, water provision in Ghana was originally provided directly by the government (WaterOrg) and was then moved into private sector hands through a management contract. In 1999, the ‘WaterOrg’ became a limited liability company in preparation for the implementation of the management contract. The change in status was intended to improve the WaterOrg’s overall performance through adoption of cost recovery measures and eased the financial burden on the government. It was also strategically pursued to attract potential investors to the urban water systems and to provide assurance of possible future returns. Consequently, the WaterOrg was privatised in the form of a management contract in 2005.

This chapter draws on the fieldwork data to present the key findings of this research, set against the background of the research objectives. It is divided into four main sections under the following headings: rationale for privatisation and stakeholders’ consultation process, the outcomes for the Government WaterOrg and the PrivateCo, the impact on employees, and the impact on consumers. Due to the detailed nature of the findings, in this chapter, the findings are merely presented, and in the subsequent discussion chapter (Chapter Seven) they will be interpreted thematically with reference to the literature.

Section one of this chapter is divided into two parts. The first part (6.1) explores the circumstances leading to the implementation of the management contract between the WaterOrg and PrivateCo. Key themes include lack of investment, corruption, nepotism and favouritism, political interference, management weaknesses and work culture. Within this section, there is also the consideration of whether these continued after privatisation. The second part of section one (6.2), examines the extent to which different stakeholders were consulted during the implementation of the management contract. The main themes discussed in this section include government or institutional consultation, employee consultation and public consultation.

Section two presents the outcomes of the partnership process for the Government WaterOrg. It focuses on: financial gains to the PrivateCo, WaterOrg and private contractors, contractual weaknesses and interpretations and differences in management style between the PrivateCo and WaterOrg. Section three presents the impact of the management contract on employees of the WaterOrg. Here, attention is drawn to both the benefits as well as the problems employees experienced as a result of the management contract. The section covers, in turn: pay, training, work environment and promotions, and then changes to working time, performance management, job transfers and job cuts. Section four focuses on the impact of water privatisation on domestic and industrial consumers. The section explores perceived benefits as well as the problems experienced. Themes explored in this section include installation of meters, payment outlets and call centres, tariffs and uncredited payments, water delivery and the pro-poor project.

The key aspects of the water privatisation process in Ghana are presented in figure (6.1) below.

Figure 6.1. Key aspects of water privatisation in Ghana

****

Source: Author’s Fieldwork, 2014

**6.1. Rationale for privatisation**

One of the objectives of this study was to find out the reasons and counter-arguments that led to the introduction of the management contract between the WaterOrg and the PrivateCo. In order to achieve the objectives, participants were asked to express opinions on what they considered were the key issues inherent in the management of the WaterOrg that contributed to its performance problems. Evidence from the fieldwork suggests that a lack of investment, corruption and cultural influences such as nepotism and favouritism impacted significantly on the company’s performance. Other issues included political interference, management inefficiencies, and the work culture. These are graphically represented in figure 6.2 below. This section discusses each of these issues in turn.

Figure 6.2. The rationale for privatisation of the WaterOrg

Source: Author’s Fieldwork, 2014

6.1.1. Lack of investment

Many research participants noted that the WaterOrg had performance problems prior to the implementation of the management contract (NGO1, Interviewee1; Govt4, Director1; Govt3, Director1; WaterOrg1, Director6; WaterOrg1, SeniorManager6; WaterOrg1, Manager8; WaterOrg1, Employee3; Domestic Consumer3; Commercial Consumer1). One of the reasons attributed to the WaterOrg’s performance problems was lack of investment (WaterOrg1, Director5; WaterOrg1, Director2; WaterOrg1, SeniorManager1; WaterOrg1, Manager4; WaterOrg1, Employee4; Govt3, Director1; NGO1, Interviewee1; Domestic Consumer4; Commercial Consumer2). Lack of investment was because the WaterOrg had not received the necessary financial support from successive Ghanaian governments (Govt4, Director1; Govt3, Director1; WaterOrg1, Director6). For instance, the government subsidy to the WaterOrg was withdrawn in 1999 when the WaterOrg became a limited liability company as part of the preparation towards the implementation of the management contract (WaterOrg1, Director4). This is an indication that the government policy introduced as part of the privatisation implementation process also might have contributed to the WaterOrg’s weakening financial position and their inability to operate effectively. Nevertheless, it was claimed by an employee of the WaterOrg that some government departments owed the WaterOrg money in unpaid water bills (WaterOrg1, Employee1). This made it difficult for the WaterOrg to expand the intake of water production, replace old and overaged pipelines that were bursting frequently and contributing to water losses or extend the distribution lines to newly developed areas or communities (Govt4, Director1; WaterOrg1, Manager7; Commercial Consumer2; Domestic Consumer10). The following quotes explain this situation further:

‘It has equipment problems because the government stopped putting money into the company. Meanwhile, some government departments owed the company huge sums of money’ (WaterOrg1, Employee1).

‘Performance had been declining over the years due primarily to lack of investment by successive governments’ (Govt3, Director1).

In the midst of the WaterOrg’s worsening financial situation, revenue from water tariffs or rates was probably the most effective option that could have helped to transform the fortunes of the WaterOrg. Yet, the WaterOrg operations were constrained by the fact that they had no authority over tariff fixing. In addition, the government did not allow the regulator to fix water tariffs that reflected the cost of production and transmission to the consumers, which would have enabled the WaterOrg to generate sustainable levels of revenue for future improvements or expansions (WaterOrg1, Director5; WaterOrg1, HR1). This finding suggests that the regulator did not seem to have the final authority on water tariffs which were being granted. Some senior officers of the WaterOrg commented:

‘We were not allowed to fix water rates, often done by the PURC. The government won’t allow any increases in tariff. That is why pipes are bursting frequently and we struggle to replace. [...] We need funds, major investment to keep the system running’ (WaterOrg1, Director5).

‘The main issue was largely due to lack of investment in new pipes and expanding the intake. These are heavy investments that government have to step in. These can’t be achieved with water rates charged by WaterOrg’ (WaterOrg1, HR1).

The attitude of some customers towards payment of water bills also contributed to the WaterOrg’s financial problems. Some respondents felt that the WaterOrg’s financial position worsened because some customers did not pay their water bills on time (Govt2, Director1; WaterOrg1, Employee7). The WaterOrg also probably did not have the power to enforce payment such as through cutting off customers’ water supply and denying them access in the process.

‘It was due to lack of funds because some customers don’t pay regularly yet it’s very difficult to disconnect them’ (WaterOrg1, Employee7).

‘They don’t pay on time. Always waiting for meter readers (revenue collectors) to come to them before they pay’ (Govt2, Director1).

**6.1.2. Corruption and traditional work practices**

Another issue widely believed to have impacted on the performance of the WaterOrg was corruption (NGO1, Interviewee1; WaterOrg1, SeniorManager1; WaterOrg1, Employee4; Govt4, Director1; Domestic Consumer5). The findings suggest that various forms of corrupt practices impacted the operations of the WaterOrg prior to and during the implementation of the management contract. The findings suggest that corruption manifested in the form of extortion and during the award of contracts at the WaterOrg and operated at two main levels: at the corporate level – involving both junior and senior officers of the WaterOrg (Govt4, Director1; Domestic Consumer3; WaterOrg1, Employee4) and at the governmental or ministerial level - involving politicians that supervised the operations of the WaterOrg (Union1, CEO1). Although, the PrivateCo’s management was able to address some issues that enabled internal/corporate level corruption to occur particularly those related to junior officers (WaterOrg, Employee4; Commercial Consumer2), issues associated with high or senior level corruption appeared to be continuing after privatisation (WaterOrg1, Director3; Govt2, Director1; Domestic Consumer5). These are discussed, in turn, below.

***Extortion***

At the corporate level, some respondents noted that prior to the implementation of the management contract some revenue officers - particularly meter readers of the WaterOrg - issued incorrect receipts to customers (Govt4, Director1; Domestic Consumer3; WaterOrg1, Employee4). The meter readers had the legitimate right to carry receipts and received payments from customers in payment of water bills, however, some used inappropriate means to extort money from customers. This resulted in a substantial amount of money not being credited to the customer’s account, culminating in a massive financial loss to the WaterOrg. During the implementation of the management contract, this opportunistic practice was brought to a halt as a result of some measures instituted by PrivateCo (WaterOrg, Employee4; Commercial Consumer2). A senior public official commented:

‘Personnel (human resource) were a factor. Some were attributed to meter readers not reading bills and fiddling with revenue collection’ (Govt4, Director1).

A senior public official and some consumers also felt that senior managers who had been appointed by the government to manage the company decided to use their positions and the opportunity that this afforded them to make as much money as possible before they were removed or sacked by the next government (Govt4, Director1; Domestic Consumer1; Domestic Consumer10). This was primarily because top appointments were always made by the government in power. According to Ghana’s constitution, there ought to be a change in government every four years. The uncertainty of job continuity potentially encouraged senior managers to exploit the system for personal gain (Govt4, Director1; Domestic Consumer1).

***Contracts***

Some respondents also noted that certain senior managers had set up private businesses and used their official positions to award contracts to themselves, families and friends while in active service in order to develop private capital (WaterOrg1, Director3; Govt2, Director1; Domestic Consumer5). These respondents believed that the practice was because senior managers have noted that private companies build or develop their capital portfolio primarily from/through public sector contracts. Thus, senior public officials believed that they could also follow the private sector path of capital acquisition through their enhanced status as senior public managers. Indeed, it was suggested that most of the public sector contracts were and continue to be awarded to employees and their relatives. The practice nevertheless, suggests that there were/are potential weaknesses in contract designs and in the award of contracts in public sector organisations and indeed at the WaterOrg. The following quotes explain this in more detail:

‘The private sector takes money from the public. When they want to increase their capital, they come to the public sector for contracts and what have you. That’s why some public officials are setting up private firms and awarding the contract to themselves directly or indirectly. [...] So for the period that they remain in office, they develop a private capital and start operating their businesses’ (Govt2, Director1).

‘Let me tell you about 80 percent of contracts in the public sector go to the workers, employees, and relatives of that organisation’ (WaterOrg1, Director3).

At the governmental level, it was revealed by a senior representative of the union that the WaterOrg underperformed because of the corrupt practices of some politicians and government departments that supervised the operations of the WaterOrg (Union1, CEO1). Thus, to some extent politicians seemed to have exploited the WaterOrg for personal and political gains. The officer explained:

‘If as a sector Minister, WaterOrg said they were going to buy Nissan Pickups because they are more robust for their operations, you threw whatever document they sent away and took them to Company T to buy their vehicles because your party has some percentage there. […] and the bottom line of all that is that those who finance the party must get their money back’ (Union1, CEO1).

It was revealed by some respondents – senior public official, senior manager of the WaterOrg and a consumer - that high-level corrupt practices such as those manifested in the awards of contracts did not seem to be have been halted after privatisation (WaterOrg1, Director3; Govt2, Director1; Domestic Consumer5).

***Bribes***

Most research participants noted, however, that irrespective of how corruption was manifested -political, cultural or socio-economic - the over-riding purpose prior to or after the implementation of the management contract was to serve the interests of those involved in corrupt practices (WaterOrg1, SeniorMnager2; WaterOrg1, Employee1; Domestic Consumer7; NGO1, Interviewee1). Related to cultural expectations within Ghana, an NGO respondent observed that some public sector employees, including WaterOrg staff, participated in corrupt practices and continued to do so in order to get extra income to meet the demands or pressures from the extended family system (NGO1, Interviewee1). This finding from the participants suggests that there were weaknesses in rules and procedures governing how work was conducted within the public sector which tend to be exploited. It also suggests that the extended family system seems to place an enormous financial burden on public sector employees. This is how the officer commented on the issue:

‘Those whose work related to financial decision making in providing critical services opened themselves for rent-seeking practices, demanding bribes in exchange for rendering lawful, legitimate services that they had to render. That was the way they generated extra income to meet the growing pressure. The culture of dependency was endemic in Ghanaian society and it was undermining accountability, prudence and productivity in workplaces’ (NGO1, Interviewee1).

6.1.3. Favouritism and nepotism

Another issue that emerged in relation to the WaterOrg’s performance problems was the traditional practice of nepotism and favouritism. Some respondents from the WaterOrg and senior public officials claimed that such practices were a major problem in the company, particularly in relation to determining key appointments (WaterOrg1, SeniorManager1; WaterOrg1, Manager6; Union1, Shop Steward; Govt2, Director1; Govt4, Director1). It was revealed that prior to the privatisation technical and competent people were not appointed to manage the WaterOrg, instead, politicians gave managerial positions to their favourites (Govt2, Director1; Govt4, Director1; WaterOrg1, Director3). The appointments of the Managing Director and the Board of Directors were always made by politicians (Union1, CEO1; NPO1, SeniorManager1; WaterOrg1, Director1; WaterOrg1, HR1; NGO1, Interviewee1). As a consequence, the WaterOrg was reportedly used to further the ambitions of politicians (WaterOrg1, Manager7) rather than the interests of the Ghanaian members of the public. The practice of nepotism created division and competition within the WaterOrg and was also demoralising for some employees who had ambitions to manage the company (Union1, CEO1). A senior representative of the union commented:

‘I considered government interference as a major problem. The government appoints the Board, the MD, set up tariffs and gives money for the project and all that. [...] The last but one Board members of WaterOrg were all teachers; no account man, no engineer and when they fail you want to find reasons for their failure. How can you make the head of a Secondary School the board chairman of a utility organisation like WaterOrg? [...] In addition, at the tenure of that board almost every head of WaterOrg was acting. We are crazy in this country. If you are picking them from inside it means you are creating rivalry because you are not making the system function by order of seniority. If you bring somebody from outside it means you are destroying the future of somebody who completed university, joined the company, and expects to be the MD in future’ (Union1, CEO1).

An NPO respondent also emphasised:

‘I think there was and still so much political influence in the selection of top management. The selection of Board of Directors is influenced by politicians not on merits so in public sector merit does not matter. What matters is your affiliation with a political party and I think that is what is running down the public sector’ (NPO1, SeniorManager1).

The findings above seem to suggest that senior managers often used favouritism in promotion decisions without due consideration to the appointee’s technical and professional skills (WaterOrg1, Manager6), and the implications of this for service delivery (Govt1, Director2). The use of favouritism also seemed to impact on employees’ performance (WaterOrg1, SeniorManager6; WaterOrg1, Manager4; WaterOrg1, Employee7). For example,

‘There was too much favouritism so those who felt marginalised did not care to work hard’ (WaterOrg1, SeniorManager6).

‘There was less motivation and too much favouritism so people did not give off their best’ (WaterOrg1, Employee7).

Consequently, there was a breakdown of discipline because nonperforming employees could not be sanctioned (WaterOrg1, Director2; WaterOrg1, Manager3; WaterOrg1, Employee6). The following quotes from officers of the WaterOrg explain this situation:

‘If an employee did not perform nothing happened because the moment disciplinary action was taken someone higher intervened to defuse the situation’ (WaterOrg1, Employee6).

‘It was very difficult to discipline nonperforming staff because of interrelations’ (WaterOrg, Manager3).

Commenting on cultural influences on non-performing employees a senior manager summed it up in the following remarks:

‘If an employee did not perform, nothing happened because every year we completed performance appraisal and all of them went through so you can’t just say somebody was not performing and therefore you were going to sanction the person. I didn’t even do an appraisal on my team because they took their salaries anyway’ (WaterOrg1, Director2).

Most research participants, and in particular, respondents from the WaterOrg noted that the cultural influences did not seem to have been weakened after the implementation of the management contract (Union1, CEO; NGO1, Interviewee1; WaterOrg1, SeniorManager3; WaterOrg1, Manager3; WaterOrg1, Employee8).

6.1.4. Political interference

Interference from politicians also had a major influence on the WaterOrg’s performance. Many research participants, including senior public officials, felt that interference from politicians undermined the efficient operations of the WaterOrg and its financial viability, particularly prior to the management contract (Govt2, Director1; Govt4, Director1; NGO1, Interviewee1; NPO1, SeniorManager1; WaterOrg1, Director2; WaterOrg1, SeniorManager1; Commercial Consumer2). Some respondents felt that the WaterOrg’s financial position worsened because politicians ordered or instructed top managers to undertake capital-intensive projects such as extending pipelines to areas where water accessibility would be extremely difficult and therefore not financially viable (WaterOrg1, Director1; Union1, CEO1). The respondents noted that in some instances the WaterOrg officials were put under pressure to extend pipelines to areas where they knew water would not be accessible. Upon completion of such projects, no revenue was generated from consumers through water tariffs because there was no water. As the following quotes explain:

‘Another area was that government asked them to lay a pipeline to a particular town or community. Meanwhile, the town before that did not have water so you gave false hope to the people and if the line was laid and they did not get water you turned round to say WaterOrg was inefficient’ (Union1, CEO1).

‘Interferences from politicians were too much. They gave instructions go and do this pipeline, connect water to these people. Meanwhile, you know that water will not flow so you go and put the pipeline in the ground, you give hope to the people, and you have invested capital which yields no returns’ (WaterOrg1, Director1).

The findings above suggest that interference from politicians did not only weaken WaterOrg’s financial position, but it also undermined the relationship between the WaterOrg and consumers who had high expectation for improvement in water delivery (WaterOrg1, Director1; Union1, CEO1).

Another respondent, a senior union representative, also felt that the WaterOrg underperformed prior to the management contract because of factors that were outside the remit of the WaterOrg. He explained that the government was slow in approving development projects (Union1, CEO1). As a consequence, most of their projects ended up not serving the original purpose. The quote below explains the officer’s clarification of the issue:

‘Another problem was that projects were not approved on time. WaterOrg will put up a project based on certain year’s population, attend meetings upon meetings etc. Before the project was approved it was over 10 years. Just imagine what will happen within 10 years to the same feasibility data that was used to assess the project, which was why sometimes a project that was intended to provide 8000 tons of water ended up serving a certain high number of the population’ (Union1, CEO1).

It was revealed by some respondents of the WaterOrg that after the management contract, political influence on WaterOrg’s operations did not change (WaterOrg1, Director4; WaterOrg1, Director1; WaterOrg1, SeniorManager2). This was because WaterOrg was responsible for all major operations, including line extensions (WaterOrg1, Director4; WaterOrg1, SeniorManager6). It was, however, revealed that the PrivateCo management team had not experienced interference from politicians (WaterOrg1, HR1).

**6.1.5. Management weaknesses**

Another issue that arose in relation to the WaterOrg’s performance problems was management weaknesses. Most respondents across the various participant groups claimed that before the management contract was introduced, WaterOrg had weaknesses in certain areas of their operations (NGO1, Interviewee1; NGO2, Interviewee2; NPO1, SeniorManager1; Govt1, Director1; WaterOrg1, Director2; WaterOrg1, SeniorManager1; Domestic Consumer1). It emerged that there were weaknesses in terms of a lack of performance management and recruitment (WaterOrg1, Director2), the communication process (WaterOrg1, SeniorManager2) and in procurement practices (NGO2, Interviewee1). In terms of performance management, some respondents, including officers from the WaterOrg, felt that members of staff were not encouraged to work quickly (Regulator, Director1; Govt2, Director1; NGO2, Interviewee1; PrivateCo1, SeniorManager1; WaterOrg1, Manager6; WaterOrg1, Employee7; Domestic Consumer9). For example, one senior manager commented,

‘We don’t work as a system in Ghana. If my inputs are what somebody needs to work on and it trickles down then everybody will sit up. Right now I can decide to stay in my office the whole day or week without doing anything but if somebody is coming to collect something from me at certain time frame then I will be expected to work toward achieving that’ (WaterOrg1, Director2).

Some respondents raised concerns about recruitment practices in the WaterOrg (WaterOrg1, Director1; Union1, Shop Steward1; Commercial Consumer2). Respondents felt that there were time delays in recruiting staff. As a consequence, there were technical shortages in some key areas which significantly impacted their operations (WaterOrg1, Director1). Interestingly, in other sections, there was an oversupply of labour (staff). This finding is an indication that the WaterOrg had operational challenges, some of which could be technical and/or financial.

‘The other aspect is the quality of human resources. It has deteriorated for some time now. Before it was excellent but our inability to recruit on time and train has impacted significantly on WaterOrg. [...] In some areas we have more than necessary staff; in some areas there are critical shortages’ (WaterOrg1, Director1).

‘At the moment people are retiring and resigning without replacement. A succession plan is not there so workers are confused and not happy’ (Union1, Shop Steward1).

With regard to the weaknesses inherent in the communication process, it was revealed that WaterOrg was using traditional and old technologies to communicate and was incurring high costs in the process (WaterOrg1, SeniorManager2). For example, they had to spend a lot of money on stationery because communication was carried out primarily through paperwork (WaterOrg1, SeniorManager2).

An NGO respondent also felt that there were weaknesses in decision making around procurement practices that had serious consequences for the WaterOrg’s finances (NGO2, Interviewee1). The WaterOrg managers wasted substantial sums of money buying materials that were potentially not necessary, given the financial constraints within which they were operating (NGO1, Interviewee1; Govt4, Director1; Govt3, Director1; WaterOrg1, Director6). The officer commented:

I remember during the Party X time an assessment was carried out at WaterOrg that found that an item had been procured, which if you look at it from a business point of view could last for 100 years. If you are a business and you keep stock of 100 years you locked your capital. These are some of the management inefficiencies that were happening around that time’ (NGO2, Interviewee1).

Some respondents, including officials from the WaterOrg, claimed that after the implementation of the management contract, some measures instituted by the PrivateCo such as computerisation and performance targets were able to address the weaknesses relating to performance and communication (NGO2, Interviewee1; WaterOrg1, Director6; WaterOrg1, SeniorManager2, WaterOrg1, Manager2). However, the weaknesses inherent in the management procurement and recruitment practices did not seem to have been halted (Union1, CEO; WaterOrg1, Director2).

**6.1.6. Work culture**

With respect to the work culture, some respondents felt that work environment at the WaterOrg, both prior to and after the management contract, did not encourage creativity, and instead, employees were merely trained to follow orders and instructions (NGO2, Interviewee1; WaterOrg1, Manager1). Some respondents from the WaterOrg also felt that most employees were lazy, came to work late and did very little at work (WaterOrg1, Director1; WaterOrg1, Manager2; WaterOrg1, Employee2). Nevertheless, they also expected senior managers to fulfill their ambitions and improve on services (WaterOrg1, Director5).

‘Ghanaians complain too much but don’t give our best, particularly public sector workers. We think that we have rights to certain things and expect people in authority to provide them. Meanwhile, we don’t want to give our best’ (WaterOrg1, Director5).

Some respondents also felt that there was a general lack of discipline among the workforce which impacted on their performance (WaterOrg1, SeniorManager4; WaterOrg1, SeniorManager2; PrivateCo1, SeniorManager1). A senior manager suggested that standards were not maintained because of this, resulting in increased maintenance costs for the WaterOrg:

‘When you are disciplined you will go by standards, once you work by standards you have less operational problems. You ask people to lay pipe, they go and scrape the soil and put the pipe there, and a vehicle passes over and breaks the pipe. [...]. But if you’re to lay according to standards it won’t have any problem apart from the lifespan of the pipe and your revenue will increase because you don’t waste it. But that is not what is happening. The standards are not maintained and nobody cares’ (PrivateCo1, SeniorManager1).

Most research participants noted that the WaterOrg, and indeed most public institutions, underperformed because the workforce did not have any respect for government-owned property (Govt2, Director1; NGO1, Interviewee1; NGO2, Interviewee1; WaterOrg1, Director4; WaterOrg1, SeniorManager3; WaterOrg1, Employee2; Domestic Consumer7; Commercial Consumer3). The respondents felt that the perception among some employees was that the public sector translated literally as ‘aban adwuma’ - belonging to the government (WaterOrg1, Director4; WaterOrg1, SeniorManager6; WaterOrg1, HR1). As a result, they did not take proper care of state properties but instead exploited them for personal gain (Domestic Consumer3; Domestic Consumer4). A senior public official summed up the attitude of public sector employees in the following remarks:

‘The Ghanaian public sector workers think the work is not theirs, its aban adwuma (government work), it’s for somebody so they are not committed. If you don’t supervise them well you don’t get the best out of them. Nobody seems to care about government work. There is the perception that you can close at 3pm on Friday meanwhile you are paid up till 5pm yet nobody will be there to check on you. It’s an attitude that is built in us’ (Regulator, Director1).

Some respondents, including senior public officials, also felt that the work culture did not change after privatisation primarily because it was the same WaterOrg staff who were transferred to the PrivateCo and were consequently acting in the same ways as they had been following under the management of the WaterOrg (Govt1, Director1; Govt2, Director1; Regulator, Director1). A senior manager of the WaterOrg, on the other hand, claimed that the work culture improved under the management of the PrivateCo because employees’ attitude towards working hours/time changed (WaterOrg1, SeniorManager4).

In summary, it seems that the WaterOrg underperformed and was consequently privatised. One of the main causes of the underperformance was lack of investment. Lack of investment was caused primarily by inadequate government support in tariff fixing and subsidies. This made it difficult for the WaterOrg to operate effectively. The WaterOrg’s performance was also undermined by the corrupt practices of some officers of the company, as well as by politicians who supervised the operations of the WaterOrg. The findings further reveal that cultural practices such as nepotism and favouritism underpinned the management of the WaterOrg. This led to apathy, ineffective supervision and lack of discipline, culminating in performance problems. Political interference, particularly in the appointment of senior managers of the WaterOrg, as well as government directives to undertake capital investment projects that ended up yielding no return also undermined the operations of the WaterOrg. Last but not the least, the work culture and weaknesses in decision making also contributed to the WaterOrg’s performance problems.

**6.2. Consultation with stakeholders**

Stakeholders’ consultation and involvement in partnership design have the potential to improve the extent to which key decisions underpinning partnerships are acceptable to a wider audience (see Riege and Lindsay, 2006). Consultation does not only elicit views from participants, it can also make them feel valued as part owners of the project (Crase et al., 2005). It is thus seen as an effective channel of information that can remove doubts from those who are suspicious about public projects (Gomes et al., 2013).

Consultation was singled out by most respondents as one of the key features of water privatisation in Ghana. This findings section reveals the extent of stakeholders’ consultation on the introduction of water privatisation in Ghana. The consultation process occurred after the government had sought advice from international consultants in 1994/5 on the types of privatisation that would be suitable for Ghana.

The findings reveal that consultation took place at various levels. There was consultation involving government departments and institutions that worked closely with the WaterOrg or whose activity impacted directly or indirectly on their operations. There was also consultation involving employees and Ghanaian members of the public. However, the extent to which views were actually taken into account appears to have varied. These findings are each addressed, in turn, after the table showing the consultation process below.

Table 6.1. Stakeholders consulted, when what they were consulted on and the outcome of the consultation

|  |  |  |  |
| --- | --- | --- | --- |
| **Stakeholders (Who)** | When | Aspect of Consultation | Outcome |
| WaterOrg (Senior Head Office Managers) | Prior to & throughout the implementation process | \* Transfer of seconded staff  \* Advice on operation issues  \* Monitoring and Evaluation | \* Minimal inputs on contract  Design |
| Government Officials | Prior to & throughout the implementation process | \* All major decisions | \* Major influence on the project |
| Govt1 | Prior to & throughout the implementation process | \* Looking for investors  \* Contract design  \* Funding and decision on forms of  Privatisation | \* Major influence on project |
| Govt2 | Prior to & throughout the implementation process | \* Providing advice on the state of WaterOrg | \* Minimal inputs |
| Govt3 | Prior to & throughout the implementation process | \* Advice on forms and possible alternatives | \* Minimal inputs |
| Regulator | Prior to & throughout the implementation process | \* Tariffs and customer care | \* Less influence on the project |
| NPO | Prior to & throughout the implementation process | \* Funding, \* Contract design  \* Getting investors and consultants advice  on project  \* Public education and selection of bidders | \* Major influence on the project |
| International Consultants | Prior to the implementation process | \* Strategy for water privatisation  \* Types of privatisation | \*Water supply system divided  into two main units (A & B) |
| NGO1 | Prior to & throughout the implementation process | \* Objected to the concept and  advice on alternatives | \* Minimal inputs on project  \* Demonstrations & protests |
| NGO2 | Prior to & throughout the implementation process | \* Provided advice on possible alternatives | \* Minimal inputs on project  \* Demonstrations & protests |
| Union1, Employees Rep. | Prior to & throughout the implementation process | \* Changes to employees working conditions | \* Less influence on the project |
| Public | Prior to the implementation process | \* Reasons for privatisation through  forums, seminars, and workshops | \* No influence on the project  \* Demonstrations & protests |

Source: Author’s Fieldwork, 2014

6.2.1. Consultation with government departments and institutions

With respect to the consultation that occurred with government departments and institutions that worked closely with the WaterOrg, most of the respondents noted that senior public officials were involved in privatisation discussions. Their level of involvement and participation was manifested at various levels. Some institutions, such as Govt2 and the Regulator, provided advice on specific issues underpinning their operations vis-a-vis the effective implementation of the management contract. The regulator, in particular, was involved in these early discussions:

‘We were involved in the initial discussions and attended some meetings with other government officials. We provided inputs on tariffs, taking into consideration the economic circumstances as well as how to improve relations between the utilities and consumers’ (Regulator, Director1).

Others, such as Govt1 and Govt3 were consulted on the possible forms of privatisation that might be undertaken. For example, Govt3 provided inputs regarding the form and composition of privatisation and consideration of possible options that would work for Ghana (WaterOrg1, Dirrector1; Govt1, Director2).

The participation of other institutions, particularly NGO1, took the form of drawing government attention to possible alternatives that should be explored further including community / Non-Governmental Organisation (NGOs) and Ghanaian ownership options (NGO1, Interviewee1). The NGO1 believed that privatisation would not address the water supply problems in Ghana. This was primarily because studies that had been conducted by the government and other agencies including the World Bank, and which they had participated in through reviewing the water sector, indicated that lack of investment was potentially the main cause of water delivery problems in Ghana (NGO1, Interviewee1). Privatisation in the form of a management contract that would not commit the PrivateCo to undertake major investment was therefore perceived by ISODEC as not a preferable option (NGO1, interviewee1). A senior member of ISODEC noted.

‘All studies conducted by the World Bank and the government pointed to lack of investment in the sector as the major problem confronting urban water with workers inefficiency being a secondary issue. So for us, privatisation was like prescribing a wrong solution to the problem for which we were all aware of […] if the problem was lack of investment then you need an investment solution not a management solution. [… ] So in our view it was important to look at the investment problems first then you can look at the management’ (NGO1, interviewee1).

Other forms of participation were manifested in the form of designing the contract, getting investors and consultants to advise on the project, as well as the process of educating the public, particularly during tendering and making the ultimate decision of selecting the winner of the bid (Govt1, Director1; NPO1, SeniorManager1). For example, the World Bank was involved in the process of attracting investors and consultants (NPO1, SeniorManager1). They also participated in designing the contract, and educating the public, particularly during tendering and in selecting the ultimate winner of the bid (NPO1, SeniorManager1).

Yet, there were also those who felt that even though they were invited and attended most of the discussions, their input was minimal because the government and the World Bank had planned the project already. Some respondents, such as Govt2, Director1, and WaterOrg1, Director3 felt that since the funding for the project was coming from the World Bank, the government did not have much control over the project:

‘I participated in the initial discussions regarding the form and composition, consideration of possible options that would work for Ghana. However, the funds were coming from the World Bank so the government had little control. We needed to do it or the funds would be withdrawn’ (Govt2, Director1).

These respondents suggested that in spite of the government assurances to the Ghanaian members of the public that privatisation would improve the water delivery system, the government did not have control over crucial decisions on how the project would be funded. Instead, funding for the project was provided by the World Bank. This might have had serious implications on many aspects of the project, from consultation through to contract design, and including major decision making during the implementation process. The World Bank influence over the project funding perhaps enabled them to have some leverage over the government.

After the privatisation had been carried out, some institutions, and particularly the Regulatory body, became actively involved in the implementation process (Regulator, Director1). They were involved in fixing tariffs and addressing customer concerns, particularly in relation to disconnections (PURC, 2011, 2013). They were also involved in resolving the communication gap that resulted from the disagreements between the WaterOrg and the PrivateCo over certain contractual issues (Regulator, Director1).

6.2.2. Employee consultation

The findings also reveal that employee consultation occurred at different levels. There were consultations involving Head Office managers of WaterOrg and employee consultation through the union (WaterOrg1, Director2; WaterOrg1, Employee3; WaterOrg1, Manager2). In the case of the former, it was revealed that some senior managers of WaterOrg, including WaterOrg1, SeniorManager1 and WaterOrg1, HR1 were put on the advisory committee that was set up to advise on the project (WaterOrg1, Director2). Others such as WaterOrg1, Director5, and WaterOrg1, Director4 were asked to provide advice on specific operational issues such as water quality, distribution and operations and maintenance. They were also put on the privatisation implementation monitoring and evaluation team. However, due to some disagreements and concerns raised particularly by WaterOrg1, SeniorManager1 on certain contractual clauses, some managers were removed from the project (WaterOrg1, SeniorManager1). One of the causes of the disagreements was that WaterOrg officials (and particularly WaterOrg1, SeniorManager1) felt that once it was a management contract and the PrivateCo was not mandated to extend the distribution lines or carried out expansion works they should not be given the authority over the management of the revenue account. Instead, that authorisation should be handed to the WaterOrg, the asset owner who was responsible for carrying out expansions. This alternative view was because the WaterOrg operations were financed primarily from the revenue collection account (WaterOrg1, Director5; WaterOrg1, HR1). As the disagreements continued, the government, in consultation with the World Bank, decided to reduce Head Office involvement on the project. The WaterOrg was subsequently asked to nominate a representative in the form of a project advisor. Consequently, only one senior manager of WaterOrg was represented on the project. In addition, measures were also put in place to ensure that the remaining senior managers who were previously advising on the project could have no further access to the contract documents. The officers’ involvement was stopped because their presence was perceived as delaying or undermining the process. This revelation was captured in the remarks of one senior manager of WaterOrg:

‘As a member of the top management team I was involved. We were having meetings with the government / Govt1 on weekly basis looking at the contract document. But there were lots of arguments and misunderstandings and the World Bank thought that was slowing the process down. Therefore, at some point top management was cut off and asked to nominate a representative in a form of a contract advisor. That was the end. We didn’t see the contract document anymore’ (WaterOrg1, Director2).

Some respondents noted that even though senior managers from WaterOrg Head Office were involved in designing the project, the final decision came from the government. In the case of WaterOrg’s Head Office, however, the major role it played was transferring or seconding WaterOrg’s employees to the PrivateCo.

Apart from the senior managers, who were consulted in the initial discussions, the rest of the employees were consulted through the union. The WaterOrg had one union representing the workers known as the Union1, which represented workers from utility companies in Ghana. The union members from the three companies elected their respective shop stewards to become the executives of Union1. There were two further divisions of union members within the WaterOrg represented by the senior and junior staff associations.

During the consultation process, only the senior executive of union1 was consulted, and consequently became a member of the advisory committee. The union involvement at the highest level enabled employee working conditions to be discussed. They were involved in discussing severance packages for those who were going to be laid off and seeking better conditions for the remaining staff (WaterOrg1, SeniorManager1; WaterOrg1, Employee1). Although the union provided vital information on the project they were initially not invited to the privatisation discussions and became involved only after the set-up of the Water Sector Restructuring Secretariat (Union1, CEO1), which happened in 1997.

Information from the union was then passed on to the WaterOrg’s employees through their union leaders. It was revealed that the union had a lot of formal discussions with WaterOrg senior management, and even members of parliament, and communicated the outcomes to employees on a regular basis (WaterOrg1, Director3; WaterOrg1, Employee2). The frequency of the interactions with employees, however, depended on the availability of new information (Union1, Shop Steward). After the privatisation had been carried out the union also became actively involved in seeking better conditions for employees, particularly by tackling wage/salary disparities between the seconded staff of the WaterOrg who were working under two different sets of management – the PrivateCo and the WaterOrg.

Although employees were consulted through the union, a complicating factor was that the employees did not present a united front (WaterOrg1, Director1; WaterOrg1, Employee1). There were those who felt that they would be better off with the management contract than with their present conditions of work, particularly the revenue /commercial officers, and these employees were in favour of privatisation while those who felt threatened by the possibility of losing their positions were bitterly against it (WaterOrg1, Director1).

The level of consultation of employees through the union varied throughout the process. They were consulted less in the early stages. Nevertheless, they were informed about the process of implementation. A senior manager of WaterOrg explained that:

‘Employees were not consulted in drafting the contract itself. They were consulted after it had been designed. There wasn’t any inputs whatsoever from employees but the flow of information in relation to what was going to happen was good’ (WaterOrg1, Director2).

According to Union1, Shop Steward1, the flow of information was good simply because in addition to the information they were getting from Union1, the union executives at WaterOrg also devised a strategy to access information in the form of files and documents that were coming from the World Bank and the government to the WaterOrg senior managers. The union action was based on the impression that certain information had been kept secret from them (Union1, Shop Steward). Most of the respondents from the WaterOrg noted that employees and the union did not have much influence on the project because decisions were taken at the highest level involving government officials, the World Bank and some key officers at the WaterOrg’s Head office.

6.2.3. Public consultation

In terms of public consultation, most respondents from the WaterOrg, public officials and consumers alluded to the fact that there was some consultation with Ghanaian members of the public. Public consultation took the form of forums, seminars and workshops. Within these sessions, it was suggested by most respondents that members of the public expressed their views and opinions freely on the project (WaterOrg1, Manager5; WaterOrg1, SeniorManager6; Commercial Consumer3). The forums also provided information via media outlets comprising newspapers, radio and television stations as part of an effort to create public awareness about the programme (WaterOrg1, Director2). Most of the respondents, however, from both the WaterOrg and members of the public believed that public consultation did not have any significant impact on the project because the decision to go for privatisation was very political (WaterOrg1, Manager5; Commercial Consumer2; Domestic Consumer3). One domestic consumer of the WaterOrg noted:

‘There were few public forums. But that didn’t have any impact on the project because it was a political decision and had already been decided by the government’ (Domestic Consumer3).

Another commercial consumer emphasised further:

‘There were public forums and radio programmes to create awareness but it was a political decision. The deal was done at the highest level between the government and the World Bank. The government had the mandate from the people and was implementing its programme with the World Bank so the public couldn’t do that much’ (Commercial Consumer2).

Throwing further light on this, a middle-level manager of the WaterOrg noted:

‘There were some forums and discussions on radio and television for people to express their views on the project. I don’t think though that public consultation did affect the project because it was very political and the government had the mandate from the people to implement its policies’ (WaterOrg1, Manager5).

Thus, the perception among some section of Ghanaian members of the public was that the decision to privatise the WaterOrg came from the government and therefore individuals did not have much influence on what happened.

Some respondents, on the other hand, noted that public consultation was not inclusive enough because only a few individuals and some civil society organisations particularly, NGO1 and NGO2 were consulted and became actively involved (PrivateCo1, SeniorManager1; Commercial Consumer1; WaterOrg1, Manager8; NGO2, Interviewee1). As one senior manager of the PrivateCo commented:

‘To my knowledge, the public were not much involved because if you say there was going to be public consultation and you bring in few opinion leaders, people from the Ministry and WaterOrg, then I don’t think the public were actively involved’ (PrivateCo1, SeniorManager1).

One domestic consumer of the WaterOrg felt that only a few people were involved, such as government officials and opinion leaders, due to the perception that water privatisation was not an individual matter. This view was because in Ghana there was a sense of consciousness among ordinary members of society that the government has the ultimate power and authority to implement policies which could not be contested by members of the public. As such, members of the public would not expect to be consulted as much or make an effective contribution to public policies. Thus, the perception was that only politicians and opinion leaders could make important decisions on Ghanaian water privatisation. This is captured in the following remarks:

‘There wasn’t that much public involvement to be honest even though we were aware of what was going on. Only a few individuals and some NGOs like ISODEC and NCAP were actively involved and made it tough for the government. Water privatisation in Ghana was not an individual matter. It was a political decision, so the government did what it thought was right’ (Domestic Consumer1).

Another respondent, a commercial consumer also noted:

‘There wasn’t much public consultation, only a few public fora and radio discussion with some government officials and some opinion leaders. Some civil society groups such as ISODEC was very active in it but their actions didn’t change the course of events because it was political’ (Commercial Consumer1).

The reasons attributed to why only a few members of Ghanaian public were consulted on the programme include the following. First, the funding for the project was coming from the World Bank and the water supply situation in the country was deteriorating so the government did not want the opportunity for quick privatisation to slip away (WaterOrg1, SeniorManager1). Second, there was a change in government, and when the new government took over, preparation was far advanced, which was an indication that the consultation period had been exhausted and so they could not delay the project any longer for further consultation (NGO2, Interviewee1). Third, the illiteracy rate in the country is very high. As a result, only a few educated people had discussions with government officials, leading to the majority of those who were illiterate not being involved (Govt4, Director1; Commercial Consumer1; Domestic Consumer1). Doubts were also raised about the period allocated for public consultation. A senior union representative noted this point.

‘There wasn’t much public consultation. You can't use a programme of about 2-3 hours to say that you have consulted the public. It’s a public relation strategy to access funds’ (Union1, CEO1).

Lack of public consultation also provoked an intense negative reaction from members of the public, particularly civil society organisations, culminating in lots of protests and demonstrations against the government, some of which were violent. The protests resulted in the killing of four innocent people by the security forces in 1995 (Darko, 2010). The protests thus reflected people’s concerns about the implications of water privatisation, particularly on Ghanaian poor residents, and their determination to oppose it. The protests were also aimed at providing education to Ghanaian members of the public about the implications of water privatisation (NGO1, Interviewee1). Commenting on this, a senior member of an NGO noted:

‘We made the case that privatisation would be bad for Ghana’s development. We were determined not to allow essential service like water managed by the private sector in a country like Ghana. What planet were they coming from? Studies show that other solutions apart from privatisation could work’ (NGO1, Interviewee1).

Most respondents from the study, including some WaterOrg employees and consumers, believed that public protests and demonstrations put an incredible amount of pressure on the government to reconsider the privatisation options. This culminated in the adoption of a management contract. It was widely believed that the original proposition was to adopt a lease contract (Commercial Consumer2; Domestic Consumer7; WaterOrg1, Employee3; WaterOrg1, Manager3).

A management contract is a form of privatisation involving the transfer of key responsibilities for public service provision such as operations and maintenance to the PrivateCo (Budds and McGranahan, 2003; McDonald and Ruiters, 2006). The government, however, continues to assume responsibility for future investments and expansions and also monitors the PrivateCo. Under the lease arrangement, on the other hand, a public service provider or authority is rented out to the private sector company (leaser). The private company then assumes complete responsibility for managing, operating and maintaining the system. The leaser is also responsible for collecting tariffs and retaining whatever amount that is generated as revenue after paying the lease fee to the public (UN-Habitat, 2003).

Emphasising why the lease contract was canceled in favour of a management contract, a domestic consumer of the WaterOrg noted:

‘ISODEC and NCAP were very influential in providing education, sensitizing the public about the implications. I think they put pressure on the government to change from lease to management contract’ (Domestic Consumer7).

A manager of the WaterOrg also commented as follows:

‘The public were not much involved. Public intervention in the form of protests came mainly from ISODEC [….] ISODEC and some NGOs were actively involved and I think that put pressure on the government to change from the lease to management contract’ (WaterOrg1, Manager2).

Some respondents also felt that protests from members of the public were not the actual reason why the original lease contract was substituted for a management contract. On the contrary, investors felt that it was too risky to invest in the water sector in Ghana because of the political instability in the West African sub-region, with particular reference to the breaking out of civil war in the neighbouring Ivory Coast (WaterOrg1, SeniorManager5; Govt2, Director1). A senior public official highlighted this point:

‘There were some initial consultations in the form of public forums and workshops but that was hijacked by the coalition against water privatisation. The original idea was for a lease contract. That would have given the PrivateCo some autonomy and freedom to operate. But ISODEC and others argued that it was a ploy to sell/privatise (full) the WaterOrg and put pressure on the government but that was not the reason why it was changed to a management contract. I think investors were put off due to the civil war in Ivory Coast’ (Govt2, Director1).

In summary, the findings above reveal that there was stakeholder consultation prior to the implementation of the management contract in the WaterOrg. Consultation occurred at three main levels. There was consultation involving government departments and institutions that worked closely with the WaterOrg. There was also consultation with employees of the WaterOrg. Yet, only top managers at WaterOrg’s Head Office were asked for advice on the project. The remaining employees were consulted through the union. Consultation with members of the public took the form of forums, seminars, and workshops. There was also information provided through the media to create awareness on the programme. However, only a few opinion leaders, educated and civil society members were actively involved. Interestingly, all those consulted did not seem to have a significant influence on the programme, partly because of the perception that the decision to privatise came from the government. In addition, the funding for the project came from the World Bank so the government decided to seize the opportunity to do something about the worsening water supply system in Ghana while they had the opportunity to do this. Lack of consultation provoked intense negative reactions from members of the public particularly civil society groups and led to a series of protests and demonstrations being organised against the government.

**6.3. Factors affecting the relationships between partners in the PPP**

The implementation of the management contract had both positive and negative effects on the WaterOrg and the private sector company. In terms of the positive outcomes, it resulted in financial gains not only to the PrivateCo and the WaterOrg but also to private contractors. There was also a consistent increase in income generation in the WaterOrg throughout the contractual period. However, opinions differed concerning the role of the private sector in public management. Whereas some believed that private sector management could improve public sector performance, others felt that it was not necessarily the case because of differences in values or objectives. However, underestimation of the scale of the water supply problems in Ghana, communication problems, and contractual interpretations and weaknesses had a debilitating effect on the project and resulted in tension and a lack of co-operation between the WaterOrg and the PrivateCo. These are discussed in turn as follows.

###### 6.3.1. Financial benefits to the WaterOrg, PrivateCo and Private Sector Firms

Within public-private partnerships, it is in both partners’ interest to ensure that there are mutually beneficial gains. During the implementation of the management contract between the WaterOrg and the PrivateCo, the quest for mutual benefits became a reality, not only for the partners but also to other third-party actors such as private contractors. Each of the partners, together with private contractors, were widely believed to have derived some financial benefits from the project (NGO1, Interviewee1; Union1, CEO1; WaterOrg1, Director2; NPO1, SeniorManager1; Govt3, Director1).

With regard to private contractors, it was revealed that some were contracted during the implementation phase to provide specific services (WaterOrg1, Director2). For instance, one company was contracted by the PrivateCo to install pre-paid meters as part of revenue mobilisation drive. This occurred, even though members of the public, and particularly NGO1, were opposed to the idea. Another private company was also contracted to provide security services after most of the security employees of the WaterOrg had been laid off (Union1, CEO1). This suggests that the changes introduced by the PrivateCo as part of revenue mobilisation exercise impacted negatively on some employees in terms of job losses. However, it resulted in financial benefits to some private contractors. A senior official of an NGO commented:

‘Immediately after the management contract, a pilot project was undertaken in Tema Community 2 and 5 involving the installation of pre-paid meters as part of revenue mobilisation drive. The company involved was Private1. They collected revenue for the PrivateCo, but it didn’t work very well. In fact, we fought about it because even in the UK they kicked against it’ (NGO1, Interviewee1).

Some respondents also felt that both the PrivateCo and the WaterOrg benefited (NPO1, SeniorManager1; NGO2, Interviewee1; WaterOrg1, Manager6). A senior manager of a Non-Profit Organisation (NPO) observed that the PrivateCo benefited financially in terms of payments for their services. However, in the case of the WaterOrg, in spite of the benefits in terms of the physical changes, they had also learned important lessons that could lead to changes in their attitudes towards service delivery. This finding suggests that there were mutually beneficial gains to both the WaterOrg and the PrivateCo, even though the gains appeared to have been manifested in different ways. The officer noted:

‘Both the PrivateCo and the WaterOrg had some benefits. As for PrivateCo, their benefits would be the amount of money that was paid to their staff. With respect to the Ghana WaterOrg, the benefits even if it’s not physical, there have been some attitudinal changes’ (NPO1, SeniorManager1).

Another respondent - a senior public official - considered that both the PrivateCo and the WaterOrg benefited from the privatisation programme (Govt3, Director1). The officer felt that the outcome of the project was due to how the contract was designed particularly with respect to the roles and responsibilities of the PrivateCo. The officer noted further that irrespective of the outcome, water management had been handed back to the WaterOrg once again after the PrivateCo had left. It was therefore incumbent on the WaterOrg to make a plan for further improvements:

‘Both the WaterOrg and the PrivateCo benefited. It was management contract they were not bound to extend the line, increase production so they did what they were supposed to do. They were contracted to collect revenue and got paid. They’ve left. The WaterOrg now owns everything left. They have to improve and develop it further’ (Govt3, Director1).

Some respondents, including a senior public official and a member of the WaterOrg management team, also argued that the PrivateCo benefited most (WaterOrg1, HR1; Govt1, Director2). The reason, according to the WaterOrg official, was because the PrivateCo did not come with many technical or management staff members, but benefitted from using seconded members of staff from the WaterOrg:

‘The PrivateCo benefited most. They didn’t come with any management team. They just used the WaterOrg staff to earn good money’ (WaterOrg1, HR1).

**6.3.2. Income Generation**

Most respondents noted that revenue collection improved consistently on a yearly basis under the management of the PrivateCo (Govt2, Director1; WaterOrg1, Director1; WaterOrg1, SeniorManager1; WaterOrg1, Manager1; Domestic Consumer5; NPO1, SeniorManager1). Some respondents felt that revenue collection increased because it was one of the PrivateCo’s main contractual obligations (Govt2, Director1; Domestic Consumer5; WaterOrg1, HR1):

‘Revenue collection increased partly because it was a management contract and they were expected to collect revenue’ (Govt2, Director1).

‘Revenue collection increased simply because that was their main responsibility’ (WaterOrg1, HR1).

A senior manager of the WaterOrg also felt that the PrivateCo concentrated on revenue mobilisation due to the uncertainty over the contract renewal. The officer’s perception was that the PrivateCo deliberately prioritised increased revenue mobilisation for financial gains. Yet, it could also be due to the fact that they wanted to prove their capability to the government for potential contract renewal.

‘Revenue generation increased initially because they wanted to make as much money as they could because they were not quite sure whether the contract would be renewed’ (WaterOrg1, SeniorManager1).

Some respondents from the WaterOrg also felt that it was difficult to establish if the increases in revenue collection resulted from the PrivateCo’s management performance, or primarily because there were tariff increases (WaterOrg1, Director1; WaterOrg1, Director3; WaterOrg1, SeniorManager5; NOP1, SeniorManager1; Commercial Consumer1). As the quote below explains:

‘When you look at the numbers you will say there was an improvement in revenue and what have you. However, there is something else that you have to analyse such as tariff regime. Revenue increased but there was an increase in tariff and water production so if you discount those factors you realised that the change was marginal’ (WaterOrg1, Director3).

Commenting on the issue, a senior manager of an NPO argued that if increases in revenue collection related to the PrivateCo’s performance, non-revenue water or water losses could have been reduced considerably. In contrast, non-revenue water was still high. The officer thus thought that tariff increases might have contributed to the consistent increases in revenue collection. The officer remarked:

‘There was an increase in tariff by the Regulator. There was also an increase in revenue collection so it is difficult to argue if the increases came from tariff increases or management performance. If increases in revenue collection relate to the performance of the PrivateCo then it should reflect on non-revenue water (NRW)’ (NPO1, SeniorManager1).

Nevertheless, this finding section demonstrates that there was lack of clarity as to what was responsible for the consistent increases in income generation, PrivateCo’s management performance or tariff increases.

As mentioned briefly in section (4.3.4), the PrivateCo’s contract was not renewed after expiration on June 6, 2011. Some respondents, comprising mostly senior public officials noted that the government decided not to renew the contract due primarily to nonperformance on the agreed targets (Govt2, Director1; Govt1, Director1; Regulator, Director1; WaterOrg1, SeniorManager5). For instance, it was revealed that the government became increasingly concerned that there was no improvement in water accessibility (Govt1, Director2), nor a reduction in water losses (Govt1, Director1; Regulator, Director1; WaterOrg1, SeniorManager5) and as a result they decided to terminate PrivateCo’s contract.

**6.3.3. Management practices**

The issue as to whether the private sector management practices could improve performance problems in public institutions also emerged from the findings. Some respondents from the WaterOrg noted that PrivateCo, and indeed western management practices, did improve WaterOrg performance because of their emphasis on employee motivation and the impact of improved motivation on corporate performance (WaterOrg1, Manager3; WaterOrg1, Employee5). Indeed, the respondents believed that consistent increases in revenue mobilisation throughout the contractual period were because of improved motivation. These respondents believed that during the PrivateCo’s period, staff were better motivated and had better working conditions than under the management of the WaterOrg. A manager of the WaterOrg noted:

‘I think western / PrivateCo management practices improve performance because they make sure staff are motivated with improved working conditions but currently they are not being used. We’ve gone back to the old system of no money’ (WaterOrg1, Employee8).

On the other hand, after the expiration of the management contract and the management of the water sector reverted back to the WaterOrg staff motivation had gone down to the level it was prior to the privatisation.

Some respondents from the WaterOrg and consumer groups argued that the PrivateCo’s style of management was different, and to some extent better, than that of the WaterOrg (WaterOrg1, SeniorManager3; WaterOrg1, SeniorManager4; WaterOrg1, Manager5; WaterOrg1, Employee2, Govt4, Director1; Domestic Consumer1, Commercial Consumer3). For example, it was revealed by a senior manager of the WaterOrg that the PrivateCo was very effective at organising and coordinating the operations of the company (WaterOrg1, SeniorManager3).

However, it was also revealed by a senior manager of the WaterOrg and a senior representative of the union that PrivateCo and private organisations in general struggle or are potentially unable to manage public sector organisations because of the differences in objectives between a private sector organisation and the government (Union1, CEO1; Domestic Consumer2). For instance, there is an overarching perception that the private sector is oriented towards short-term profit objectives whereas the public sector is concerned with promoting long-term public cohesion (Lane, 2000).

A further distinction between the PrivateCo and private organisations generally, and the public sector is that in the latter, the social aspects of water provision are thought to be more important than the economic aspects, irrespective of whether water provision can result in income generation. The officer commented:

‘Private sector is about competition but water is a social product underpinned by a wide range of influences politics in particular. You may have good intentions but as to whether you will be allowed, to carry it through is another matter. The social dimension in water is more powerful than the economic aspect. That is why private people find it difficult to manage. There are differences between ideology and practicality’ (Union1, CEO1).

Third, it was also revealed that the PrivateCo was very tactful, prudent and fair in the management of both human and material resources (WaterOrg1, SeniorManager2). They were also arguably not corrupt and therefore did not spend money buying things that they thought were not necessary in order to maximise some personal or parochial interest. However, after the PrivateCo had left, there seems to have been a lack of fairness, particularly in resource allocation across departments under the management of the WaterOrg. The officer highlighted:

‘The PrivateCo were very prudent with expenditure. They would not go and buy things they are not going to use for them to get their 10 percent kick back, no, they won’t do that. We deeply regretted after they had left, now there is no fairness, no succession plan, again no money syndrome has come back’ (WaterOrg1, SeniorManager2).

**6.4. Underestimation of the water supply problems due to contract design**

Underestimation of the problems inherent in the water supply and distribution system in Ghana also impacted on the implementation process. It was revealed by a member of the WaterOrg management team that PrivateCo felt a sense of shock about the water supply and distribution system and how it was managed prior to the management contract (WaterOrg1, Director3). The PrivateCo was shocked because they did not anticipate that the water supply and management system would be in the state that they found it in. The officer noted that the PrivateCo’s lack of knowledge about the water situation in Ghana was primarily because the management contract was designed with little or no input from people from the commercial or revenue department. Only engineers were given the opportunity to advise on the contract. Thus, to a significant extent, the management contract had imminent design weaknesses. He explained that as a result, there were certain prejudices against WaterOrg management. The officer remarked:

‘There was also the downside where there was a clash of culture where the new people had certain prejudices like if you could do it, I wouldn’t have come in. There was a form of alienation at some point. Again, there was some form of culture shock as to how we did things the way we did. Again, the management contract was designed with very little inputs from non-engineers so it created a situation where the PrivateCo underestimated the enormity of the problems’ (WaterOrg1, Director3).

It could be argued therefore from the officer’s observations that the PrivateCo probably focused on winning the contract rather than making attempts to assess the scale of the problems that they were confronting. Nevertheless, the weaknesses inherent in the contract design also might have contributed to the ways in which both the WaterOrg and PrivateCo interpreted certain contractual clauses differently.

###### 6.4.1. Contractual weaknesses and interpretations

Various issues arose in relation to the interpretation of the contract. Rules for the management of the revenue collection account were clearly stated in the contract. Yet, during the implementation of the management contract, issues associated with the revenue collection account became one of the sources of the disagreement between the PrivateCo and the WaterOrg.

Many respondents, and particularly officials of the WaterOrg, revealed that the management of the revenue collection account was one of the main sources of conflict and tensions between the WaterOrg and the PrivateCo (NGO2, Interviewee1; WaterOrg1, Director1; WaterOrg1, Employee5, WaterOrg1, SeniorManager1, Union1, CEO1). Under the terms of the Management Contract (see Government of Ghana, 2005), the PrivateCo was responsible for revenue collection. The PrivateCo was also mandated to use part of the revenue collection to offset any operational costs incurred and return the remaining part the surplus revenue to the Grantor (WaterOrg) (Government of Ghana, 2005). This arrangement for the use of revenue collection heightened tensions between the PrivateCo and WaterOrg officials. Some respondents from the WaterOrg and NGOs noted that senior managers of the WaterOrg had deep concerns with the management of the revenue collection account; primarily because they could not obtain money to do the things they wanted such as undertake repairs (WaterOrg1, Manager7; WaterOrg1, Director4; NGO2, Interviewee1). An employee of the WaterOrg had this to say:

‘They also had problems with repairs and the use of revenue accounts. Head office felt they could not get money to carry out repairs because the PrivateCo was in charge of revenue collection and was expected to return some to Head office’ (WaterOrg1, Manager7).

An NGO respondent similarly noted:

‘… they had in the contract that the PrivateCo after collecting the revenue had to satisfy themselves and when some are left give it to the parent company (the WaterOrg). Obviously, the Ghana WaterOrg will not be happy because technically they were crippled because if at the end of the month the PrivateCo decides the account is zero it means the WaterOrg cannot operate’ (NGO2, Interviewee1).

Some employees of the WaterOrg also claimed that senior managers at the Head Office thought that their operations were undermined because the PrivateCo was put in charge of revenue collection (WaterOrg1, SeniorManager6; WaterOrg1, Employee1). They consequently became frustrated by the fact that they had no control of revenue collection - the bedrock of their operations - and therefore could not undertake operations and distribution work effectively. They had to depend on the surplus revenue from the PrivateCo. One senior manager of the WaterOrg noted:

‘You’re not extending lines, why don’t you just take your fees and allow the WaterOrg to collect the money and use it to address operations and distribution issues’ (WaterOrg1, SeniorManager1).

Some employees of the WaterOrg also argued that senior managers felt that they could not get money for their operations because the PrivateCo was using the money inappropriately (WaterOrg1, SeniorManager3; WaterOrg1, Manager6; WaterOrg1, Director2). For instance, senior managers were concerned that the PrivateCo was using revenue collection funds to pay for staff who should have been paid directly from the project funds, which was not appropriate. They felt that the PrivateCo should have filled certain positions at their Head Office with the PrivateCo’s own personnel and paid them directly from the project funds. Yet, the PrivateCo was using the WaterOrg’s seconded staff for those positions and paying them from the revenue collection account. The WaterOrg officials felt that this was an improper way of using the revenue collection account considering the fact that the PrivateCo and their staff were also being paid far higher than their Ghanaian counterparts. Emphasising this point, a senior manager of the WaterOrg commented:

‘The WaterOrg staff were seconded to the PrivateCo. What that meant was that the seconded staff were to be paid from the revenue accounts. Then we had staff of the PrivateCo who were being paid by the World Bank in dollars. But the PrivateCo was very smart, what they did was that instead of filling positions at their Head Office with people that they would pay with World Bank money, they rather used seconded staff to fill those positions and paid them from the revenue account. So instead of bringing six (6) people, they only brought about four people and used two seconded staff as a backup and share the money coming from the World Bank among four of them’ (WaterOrg1, Director2).

The WaterOrg officials also felt that the PrivateCo was using the revenue collection funds inappropriately for operational expenses (WaterOrg1, Director2; WaterOrg1, Employee8). The officials of the WaterOrg thought that even though the PrivateCo had the legitimate right to use the revenue collection money to pay for repairs and other expenses, after agreeing on this expenditure with the WaterOrg, most of the expenses incurred on operational issues such as the replacement of pumps were potentially not necessary. The WaterOrg officials also felt that the PrivateCo spent most of the revenue collection money on office renovations, which was not a priority in the contract. This resulted in disagreements and unnecessary delays in some aspects of the privatisation implementation process, and particularly monitoring of the PrivateCo. A member of the WaterOrg’s management team remarked:

‘Most of their expenses were also taken from the revenue collection account. That too caused a lot of problems. In the contract, they were to look at ‘snack’ items, things that need urgent repairs such as pumps and equipment that are old and hindering their operations. They would go and look at the pumps that we have been using and say this pump should be changed and we will say no. This pump is working well; it’s not given us any problems why do you change it. They used that to delay the process because we had to agree on these things before we could start monitoring’ (WaterOrg1, Director2).

Some managers of the WaterOrg also believed that the PrivateCo did not return the surplus revenue because they had the backing of politicians (WaterOrg1, HR1; WaterOrg1, SeniorManager5) A senior manager noted:

‘They were to collect revenue according to the terms of the contract, paid a fee and return the rest of the revenue called (swoop) to the asset holder, the Grantor (the WaterOrg). [...] They didn’t because they had support from some politicians and that caused a lot of friction’ (WaterOrg1, Director4).

Another respondent, a senior representative of the WaterOrg’s employees union, argued that some seconded staff who were working directly with the PrivateCo might have advised the PrivateCo not to return the surplus revenue to the WaterOrg’s Head Office:

‘The WaterOrg Head Office was not generating any revenue. They were to be given surplus revenue from whatever the PrivateCo had collected after meeting their expenses. But some of the seconded staff aligned themselves with the PrivateCo and made sure nothing goes back to Head Office’ (Union1, CEO1).

Some respondents from the WaterOrg argued that initially there was trust and co-operation between the PrivateCo and the WaterOrg officials. However, trust withered away because of some decisions taken by PrivateCo. The officers believed that the PrivateCo quest to get a contract renewal influenced their decision on revenue collection. This heightened tensions and disagreements between them culminating in the PrivateCo decision to stop sending the surplus revenue collection to the WaterOrg’s officials. One senior official of the WaterOrg noted:

‘I think initially things were smooth but along the line, I don’t know whether the idea of trying to stay on influenced a lot of their decisions so bad blood came in resulting in challenges and difficulties. Under the terms of the management contract, they were supposed to transfer money from the revenue account to Head Office but when they started arguing they stopped’ (WaterOrg1, Director1).

Some employees, on the other hand, noted that even though senior managers were frustrated that they could not get money to do the things they wanted, the PrivateCo was using the money for systems improvements including training and acquisition of tools. (WaterOrg1, Employee3, WaterOrg1, SeniorManager6). A senior manager captured this in the following remarks:

‘They (WaterOrg) also wanted the PrivateCo to release the revenue account (surplus). The PrivateCo refused and was using the money to improve the system through training, tools and essential things necessary for customers and revenue collection. Head Office felt they could not get money to use as they wanted so they were very angry and frustrated’ (WaterOrg1, SeniorManager6).

There were other weaknesses in the contract, with what was referred to as ‘loopholes’ leading to opportunistic behaviour (Regulator, Director1; WaterOrg1, Director5). Some respondents from the WaterOrg observed that because of the weaknesses in the contract, it was difficult for repairs to be carried out (WaterOrg1, Director2; WaterOrg1, Employee3). This was primarily because there were disagreements as to who was responsible, the PrivateCo or the WaterOrg.

‘It was difficult sometimes to get major repairs done in the district because of disagreements between PrivateCo and WaterOrg Head office as to who should be responsible’ (WaterOrg1, Manager4).

‘Part of the reasons for the lack of co-operation was due to arguments and misunderstanding in the interpretation of the terms of the contract. Even replacement of pumps at the Headwork was a problem. [...] Sometimes they would be fighting over this for weeks and months’ (WaterOrg1, Director2).

The findings above, and in particular, the contractual weaknesses, are an indication of some of the challenges that confronted the management contract implementation process. The ‘loopholes’ and ‘inappropriate use of money’ nevertheless could be seen as a different form of corruption.

**6.4.2.Disagreements leading to breakdown of communication between the partners**

Another issue which became a source of concern during the implementation process was communication. Some respondents believed that communication broke down between the WaterOrg and the PrivateCo as a result of the disagreements they had during the implementation phase (WaterOrg1, SeniorManager5; Regulator, Director1). A senior manager of the WaterOrg believed that communication worsened because both the WaterOrg and the PrivateCo operated from different offices and in some cases were issuing different reports or statements to the press (WaterOrg1, SeniorManager5). Communication broke down to the extent that the Regulator had to devise a strategy by which the two parties were invited to attend meetings separately. The regulator’s mediatory role was intended not only to resolve the communication problems between the partners but was also aimed at protecting the interest of consumers. The quotes below further elucidate this issue:

‘They didn’t trust, co-operate or work together. There was a break in communication between PrivateCo and WaterOrg due to separate offices. Sometimes they were issuing conflicting statements to press’ (WaterOrg1, SeniorManager5).

‘Communication was a problem; we had to write separate letters to get them to come to meetings. Anytime there was communication gap it affects the consumer so we had to come in’ (Regulator, Director1).

In summary, this section reveals that both the PrivateCo and the WaterOrg together with private contractors derived some financial benefits from the project. The PrivateCo benefited financially in terms of money that was paid for their services while some private contractors also benefitted financially for providing certain services such as installation of pre-paid meters. The section also reveals that under the management of the PrivateCo, there was a consistent increase in revenue mobilisation throughout the contractual period. Yet, there were still doubts as to whether the private sector had a role to play in public sector management.

The section further reveals that during the implementation of the management contract between the WaterOrg and the PrivateCo there were difficulties that resulted primarily from certain weaknesses in the contract document. The weaknesses were caused to some extent by the fact that the contract design had little or no input from people with a non-engineering background. For instance, the PrivateCo was mandated under the terms of the management contract to collect revenue and use part of the money to pay for expenses. The remaining part (possibly the surplus revenue) was to be handed over to the WaterOrg for operational duties such as repairs. The WaterOrg officials were not happy with the ways in which the PrivateCo was using the funds in the revenue collection account. The officers felt they could not operate effectively because the PrivateCo refused to send the surplus revenue and was rather using the money inappropriately. Some officials of the WaterOrg believed that the PrivateCo did not send the money because they had some support from politicians to do so. Others thought it was part of the PrivateCo’s strategy to get a contract renewal. Yet, others also claimed that the PrivateCo was using the money to improve the system through training and acquisition of tools. This resulted in disagreements leading to a breakdown of communication between the WaterOrg and the PrivateCo.

**6.5. Impact on employees**

Many workers benefited from the management contract between the WaterOrg and the PrivateCo. For example, most respondents referred to higher pay. They also appreciated the better training and a better work environment (with better technology). Some workers benefitted from the promotion, although others did not. There were other changes put into place. Workers did not like the changes to working time (with the introduction of shifts), nor performance management (with increased monitoring). Also, there were job transfers and job cuts, with negative impacts for many of those concerned. These are shown in the following diagram, and then discussed, in turn, below.

**Figure 6.3. Showing key themes on impact of the management contract on employees of the WaterOrg**

**Impact of the Management Contract on Employees**

**Negatives**

* Working Time
* Performance Management
* Inexperienced staff in senior management roles
* Job Transfers and Job Cuts

**Positives**

* Pay
* Training
* Recruitment and Promotion
* Work Environment

-

**Source: Author’s fieldwork, 2014**

6.5.1. Pay

With respect to working conditions, most respondents from the WaterOrg noted that there were changes in working conditions, including pay, under the management of the PrivateCo (WaterOrg1, HR1; Union1 CEO1; WaterOrg1, Manager1; WaterOrg1, SeniorManager5; Commercial Consumer1). Pay for instance, was widely thought to have increased under the management of the PrivateCo (NGO1, Interviewee1; Union1, CEO1; Domestic Consumer3; WaterOrg1, Director1; WaterOrg1, SeniorManager3; WaterOrg1, SeniorManager5; WaterOrg1, Manager4; WaterOrg1, HR1; WaterOrg1, Employee3). The rate of increase was estimated to be around 40 to 50 percent (Union1, CEO1; WaterOrg1, Manager2; WaterOrg1, SeniorManager2). The increase was thought to be unprecedented in the history of the WaterOrg because until then the maximum pay increase that employees could achieve was around 15 percent (WaterOrg1, SeniorManager2). Those who benefited from the pay increase were employees who were paid directly by the PrivateCo, and particularly the revenue officers (NGO1, Interviewee1; Union1, CEO1; WaterOrg1, SeniorManager5; WaterOrg1, Manager2; WaterOrg1, Employee2). The following quotes explain reactions from respondents outside of the WaterOrg:

‘Those seconded staff who ended up in the PrivateCo’s payroll seemed to be better-taken care off in remuneration, the condition of work and on everything (NGO1, Interviewee1).

‘The first thing they did that made some seconded staff angry was that they gave the people they were working with 50 percent wage rise. They had it tough with the union because it wasn’t in the negotiated agreement’ (Union1, CEO1).

The quotes below also explain the reactions from employees of the WaterOrg:

‘Pay and reward were good. It increased by about 50% for the first time for revenue staff’ (WaterOrg1, Manager2).

‘Staff motivation was very high because salary increased by about 40 percent, which was quite unprecedented. In those days (before that) the maximum we could get was around 15 percent’ (WaterOrg1, SeniorManager2).

However, not all employees were happy with the pay. Another respondent, a senior manager of the WaterOrg, expressed concern about the pay structure in the Company. The officer was not happy that employees’ pay was not linked with the level of productivity, but was rather aligned to individual experience and qualifications.

‘Also, pay is not aligned with the level of productivity, it is aligned with experience and qualifications and that is not helpful’ (WaterOrg1, Director1).

It was further revealed that the management staff of the PrivateCo were paid huge sums of money on a monthly basis, even though they were inexperienced, whereas local people with comparable qualifications and much more experience received much lower pay. A senior manager of the WaterOrg commented:

‘Whereas they were collecting $10,000 per month, local managers with the same qualification and better experiences were taken 500 cedis per month peanuts. They also realised that those who have come didn’t have any exceptional experience and were rather relying on the local staff’ (WaterOrg1, Director1).

Some respondents from civil society groups also believed that WaterOrg managers and indeed Ghanaian managers could perform better if the same level of incentives such as those given to the PrivateCo were available to them (NGO1, Interviewee1; NGO2, Interviewee1). Respondents within this category noted that Ghanaian managers were often not given the appropriate means to enable high performance. An NGO respondent commented:

‘The Ghanaian manager often did not have tools to work with, incentives, motivation and allowances that are tied to performance. It is only when we give the same incentives that were given to PrivateCo to Ghanaian managers to work with that we can compare who can perform better. You cannot pay one pittance and another higher and then compare who can deliver. It is an unfair comparison’ (NGO1, Interrviewee1).

###### 6.5.2. Training

The majority of respondents in the study, and particularly officers from the WaterOrg, noted that training improved considerably under the management of the PrivateCo (Govt3, Director1; WaterOrg1, Director2; WaterOrg1, HR1; WaterOrg1, SeniorManager4; WaterOrg1, Manager2; Union1, CEO1; NGO2, Interviewee1; Domestic Consumer7). The respondents felt that the PrivateCo was very good in training employees (NGO1, Interviewee1; WaterOrg1, SeniorManager1; WaterOrg1, Manager8; WaterOrg1, Employee4; PrivateCo1, SeniorManager1). This was due to the fact that they had a training programme for almost every employee (WaterOrg1, SeniorManager4; WaterOrg1, Manager8; WaterOrg1, Employee7) from senior managers through to cashiers to labourers (WaterOrg1, SeniorManager2). There were many internal as well as external/overseas training programmes. Overseas training was singled out as a practice which had in the past been accessible only to engineers (WaterOrg1, SeniorManager2). The engineers may have been given priority due to the perception that water delivery services and management required people with an engineering background. However, when the PrivateCo took over that tradition was broken. Some employees, and particularly revenue officers, had, for the first time, the opportunity to apply for overseas training (WaterOrg1, HR1; WaterOrg1, Manager2; WaterOrg1, Manager5).

‘There was a lot of training for revenue officers. I had the opportunity to travel to South Africa and Netherlands for training so it was good for most of the junior officers’ (WaterOrg1, Manager2).

‘Almost everybody including labourers received training - something unthinkable under the WaterOrg’s management’ (WaterOrg1, Manager7).

‘Most of the workers got some training. For the first, a lot of people were sent to South Africa and Holland. That was a plus for the PrivateCo' (WaterOrg1, Dirctor2).

However, although many employees seemed to have viewed the additional training as a positive development, this was not the case for all employees. The PrivateCo’s approach was perceived by the WaterOrg’s senior management as threatening their long tradition (WaterOrg1, SeniorManager2). This consequently put a strain on their relationship.

Other respondents felt that although training improved under the management of the PrivateCo, this had not resulted in any improvement to the water delivery system in the country, which was the core feature of their mandate (NGO2. Interviewee1; Union1, CEO1):

‘They had a lot of training for the staff trying to bring in professionalism into the work but when it comes to operational issues it was a mess’ (NGO2, Interviewee1).

A senior representative of the union added

‘They assisted in training the staff […] and others. But as to the real work, as far as I am concerned there was nothing’ (Union1, CEO1).

The union official also felt that training was not effective under the management of the WaterOrg because most of the trainees were not given the opportunity to work on the areas they were trained on. Instead, they were asked to work on something else. This suggests that to a large extent, trainees were not encouraged to use their new skills to make further contributions and improvements in areas where they had received training. The union official remarked:

‘Another problem relates to how staff were managed in the company. You sent people to go and train on filters but when they come back you don’t put them to work on filters but on something else’ (Union1, CEO1).

Some respondents, on the other hand, felt that there was no significant improvement in employees’ skills (Govt4, Director1; Domestic Consumer3). As the following quotes explain:

‘I didn’t see any significant skills improvement in staff’ (Govt4, Director1).

‘They also had training programmes for the staff. I didn’t see any difference in skills it was the same WaterOrg staff, same meter readers’ (Domestic Consumer3).

###### 6.5.3. Recruitment and promotion

Appointments and promotions became an integral part of the PrivateCo’s quest to address the water supply problems in Ghana. Based upon this premise, some seconded staff were given top positions within the WaterOrg. The new appointments and the promotions appeared to have happened for a number of reasons. These include the fact that promotion had not happened at the WaterOrg for a long time and was impacting on employee morale, the perception that commercial/revenue officers were not motivated, the emphasis was laid on individual staff skills other than qualifications and the quest to reverse the trend of engineering dominance. These are discussed in turn below.

It was revealed that before the PrivateCo was contracted to provide water, promotions had not happened for a long time and that this had impacted on employee morale (WaterOrg1, Driector2; Union1, Shop Steward1). As a result, the PrivateCo decided to address the issue soon after taking over the management of the WaterOrg. However, as with most management reforms, there were the challenges of intended and unintended consequences (Vedung, 2008; Johnsen, 2005). A senior officer of the WaterOrg noted:

‘The PrivateCo wanted to satisfy some people so they were putting people at parallel and that caused a lot of confusion and conflicts. Before they came in promotion had delayed for some time so they decided to lift people to certain levels’ (Union1, Shop Steward1).

Some respondents claimed that the appointees consisted primarily of low-level commercial/revenue officers (WaterOrg1, Manager7; WaterOrg1, Manager8; Union1, CEO1; WaterOrg1, SeniorManager6; WaterOrg1, Employee1). The commercial/revenue officers were promoted because the PrivateCo thought that although they symbolised an important link between the WaterOrg and its customers, they were the least motivated (WaterOrg1, SeniorManager6; WaterOrg1, Manager4). This finding suggests that until the implementation of the management contract, the extent to which the revenue department could contribute to the WaterOrg financial viability was not considered seriously.

‘The PrivateCo thought revenue officers were not motivated even though they are the core of the company so they concentrated on the revenue side motivating, promoting and assigning them to new key roles and responsibilities’ (WaterOrg1, SeniorManager6).

Other employees also thought that the PrivateCo did not care about qualifications (WaterOrg1, Manager8; WaterOrg1, Manager7) unlike the management team in the WaterOrg which was oriented towards seniority, training, and experience (WaterOrg1, SeniorManager2). Instead, they looked at individual skills and competence on the job, and particularly those who knew how to mobilise revenue. The following quotes from revenue officers of the WaterOrg explain this further:

‘The PrivateCo’s management didn’t care much about qualification rather they looked at individual competencies and promoted a lot of revenue staff to key positions. Head office was furious about that so they had difficulties’ (WaterOrg1, Manager7).

‘The PrivateCo were interested in people who knew how to mobilise revenue and promoted revenue officers to key positions but Head office didn’t like that and saw it as a threat to their authority and were not co-operating’ (WaterOrg1, Manager8).

A senior representative of the union also commented:

‘The PrivateCo brought some seconded staff to their head office and they were given certain privileges while they were still juniors. It’s like they pushed the commercial staff up. It’s a utility company, not a mobile phone shop. But for the White man in so far as they think the person is efficient they will give the position. Meanwhile, he has forgotten that in promotional matters we don’t approach it that way’ (Union1, CEO1).

It could be argued from the findings above that although the PrivateCo’s approach to promotion was intended to generate the best possible outcome. It was also perceived as being disrespectful to the WaterOrg’s authority structure. In addition to shedding light on attitudes toward promotion, the above quotation also reveals the tensions that can exist in a post-colonial country, a topic that will be returned to later in section 7.3.2.

An employee of the WaterOrg felt that the changes were also part of the PrivateCo’s strategy to reverse the trend of engineering management dominance and to make the company more customer-oriented:

‘The PrivateCo also tried to reverse the trend whereby engineers had been in charge of management and rather concentrated on promoting revenue officers to high and top positions. They wanted the company to relate more to customers but WaterOrg Head Office didn’t like that and saw it as a threat to their old hierarchal structure’ (WaterOrg1, Manager4).

The promotions were welcomed by some members of staff. It was revealed that those who felt comfortable with the changes were commercial/revenue officers. However, for some seconded staff from the WaterOrg, it had resulted in tensions and a lack of co-operation between the PrivateCo and the WaterOrg (WaterOrg1, Director2; Domestic Consumer7; WaterOrg1, Manager4; WaterOrg1, Employee2). The following quotes from low-level officers of the WaterOrg elaborate on the issue:

‘There were problems between the PrivateCo and the top management of the WaterOrg concerning the promotion of commercial officers to top positions […] From the commercial side it was good but from the engineers and Head Office staff it was a big nightmare’ (WaterOrg1, Employee2).

‘Appointment and promotion of some revenue officers created a huge conflict between WaterOrg's Head office and PrivateCo. [...] It was good for the revenue officers but with head office, staff there were problems and frustrations’ (WaterOrg1, Employee7).

Another respondent, a senior public official also felt that there were unequal benefits among employees of the WaterOrg. On the contrary, some employees particularly commercial/revenue officers benefitted more from improved working conditions and promotions to senior positions (Govt1, Director2). The officer noted:

‘Some members of staff of the WaterOrg also benefited in terms of quick promotion to key positions. Working conditions also improved for some seconded staff but for others, it was terrible’ (Govt1, Director2).

However, other members of staff were less keen. The findings revealed that senior managers of the WaterOrg were not happy with the appointments because they thought that most of the appointees’ were junior officers according to the organisational structure (NGO2, Interviewee1; WaterOrg1, Director2; Union1, Shop Steward). They also felt that they were inexperienced and technically not capable of making critical decisions that would impact the company (WaterOrg1, SeniorManager1; WaterOrg1, Director4; Govt1, Director2). A senior public official and an NGO respondent elaborated on this point:

‘The PrivateCo brought only about 3-4 staff. The rest were seconded WaterOrg’s staff some of whom were given top positions. The youth those who were coming up were comfortable that is how we saw it. But they were also not at the level that they can make critical decisions when the PrivateCo had left’ (NGO2, Interviewee1).

Commenting on the issue, a top management officer of the WaterOrg remarked:

‘The PrivateCo […] appointed certain people to managerial positions even though according to our system they were nowhere near. You put a junior seconded staff somewhere to issue instructions to Head Office, come on. So there was suspicions and friction’ (WaterOrg1, Dirrector4).

It could be argued therefore that all the major changes regarding appointments and promotions that occurred during the implementation of the management contract between the WaterOrg and the PrivateCo aimed at increasing the powers of the low level seconded staff particularly commercial/revenue officers over decision-making process.

The result appeared to have been negative for the outcomes of the management contract, particularly for service users. It was revealed that senior managers of the WaterOrg, and particularly the engineers, felt a sense of betrayal (Govt1, Director2) and demoralised (WaterOrg1, SeniorManager2) by the PrivateCo’s promotions approach. This was because they thought that they were losing control and authority over decision making to the junior officers (WaterOrg1, Employee7; Domestic Consumer10). This subsequently provoked angry reactions from senior managers and led to the breakdown of communication and disagreements between the WaterOrg and the PrivateCo on certain contractual issues such as repairs with debilitating effects on water service delivery (WaterOrg1, Director2; Domestic Cosumer7, WaterOrg1, Manager4, WaterOrg1, Employee5). Appointments and promotions thus appeared to have either wittingly or unwittingly improved the status of some employees rather than others with severe implications on the outcomes of the management contract.

**6.5.3.1. ‘*Engineering is the new priority’***

One of the issues with the PrivateCo’s promotion strategy related to the long tradition of engineering dominance in the management of the WaterOrg. This practice had reportedly not led to positive results. Some respondents, and mostly officers from the WaterOrg noted that from its inception until the time of the management contract, WaterOrg was an institution that was dominated by engineering (WaterOrg1, SeniorManager2; WaterOrg1, SeniorManager6; WaterOrg1, Manager4; WaterOrg1, Employee2; Union1, CEO1). The practice was underpinned by the perception that water management should require people with an engineering background (Union1, CEO1). The increasing emphasis on engineering meant that other crucial departments were potentially seen as less important. As a consequence, other departments, and particularly the commercial/revenue department that the WaterOrg’s financial viability potentially depended upon were underutilised. The commercial/revenue officers in particular, who were responsible for revenue mobilisation/collection appeared to be neglected (WaterOrg1, SeniorManager6; WaterOrg1, Employee3). It could, therefore, be argued that to a large extent, there was a lack of realisation that the skills inherent in the engineering profession were significantly different from those possessed by people who had been professionally trained to manage. The following quotes explain this more fully:

‘The engineers at WaterOrg see themselves as having the right to manage because it’s an engineering dominance organisation. So they forget that when we say you are a managing director it’s about your organisational skills and leadership’ (Union1, CEO1).

‘Staff management was part of the problem because attention has historically been focused on distribution and engineering section than on revenue and other departments. Engineers get what they need but commercial and revenue officers don’t get what we need to work’ (WaterOrg1, Employee3).

Some respondents felt that the PrivateCo’s management strategy was therefore aimed at reversing the trend whereby some employees, and particularly the revenue officers, were seen as less valued than the engineers. This was achieved as part of the restructuring measures introduced by the PrivateCo (WaterOrg1, SeniorManager2; WaterOrg1, SeniorManager6). The quote below shed light on the issue:

‘For the first time in the WaterOrg's history, revenue/commercial staff were authorised to sign cheques. Something, which has consistently been mandated by engineers and distribution staff no matter their qualifications, compared to revenue officers. Commercial departments felt valued for the first time’ (WaterOrg1, SeniorManager6).

Another employee of the WaterOrg also noted that the systems put in place by the PrivateCo still existed at the WaterOrg, but that motivation was very low, particularly for the revenue / commercial officers (WaterOrg1, Employee3). The officer commented:

‘The WaterOrg is now back to the old system controlled and dominated by engineers so revenue officers no longer get cars to do field work effectively. We still use the systems left by the PrivateCo though. They improve performance but now we don’t get what we need to work compared to when PrivateCo was here’ (WaterOrg1, Employee3).

***6.5.3.2. Promotions due to restructuring***

Some of the promotions that took place following the implementation of the management contract were due to restructuring. This was particularly the case for decentralisation initiatives introduced by the PrivateCo (Union1, CEO1; WaterOrg1, HR1). The PrivateCo felt that it was necessary to address the amount of power and authority possessed by some regional managers and directors of the WaterOrg (Union1, CEO1). The new decentralised arrangement was therefore intended to make managers work independently without taking orders from potentially one authorising body (Union1, CEO1; WaterOrg1, HR1). It was thus seen as a complete shift from the WaterOrg management’s former centralisation (WaterOrg1, HR1). It was on the basis of this new system that some junior officers were promoted to top positions with comparable benefits higher than their senior colleagues, which consequently angered senior officials of the WaterOrg (Union1, CEO1; WaterOrg1, HR1; NGO2, Interviewee1) discussed earlier under section(Recruitment and promotion).The new arrangement created confusion and disagreements between the WaterOrg and the PrivateCo (NGOI, Interviewee1; Union1, CEO1; WaterOrg1, Director4; WaterOrg1, SeniorManager5, WaterOrg1, Employee6; Domestic Consumer4). Emphasising this point, a senior representative of the union noted:

‘They also felt the regional directors were too powerful so they decentralised and said in the regions, the managers: regional, commercial and operations were not under anybody. They were to work independently and created a Zonal regional director to be responsible for three of four regions. The problem is it’s a utility company. If the Regional Minister decides to have a meeting with the WaterOrg who will go? [...] You can’t do that and I heard there was a case in which a major industrial consumer wanted something and about five people at the WaterOrg signed on one letter because of the decentralised arrangement put in place. It took about two and half years just doing re-organisation and fighting’ (Union1, CEO1).

In addition to concern about the promotions of regional managers, this confusion around who should provide a signature suggests that another outcome was inefficiency.

Some respondents from the WaterOrg felt that senior managers were not co-operating because the latter thought that the re-organisation was causing unnecessary delays in tackling the issues on the agreed / contractual terms (WaterOrg1, Director4; WaterOrg1, SeniorManager5). The officers felt that the restructuring was not necessary because the PrivateCo was only contracted for five years (WaterOrg1, SeniorManager5). Nevertheless, the PrivateCo spent most of the contractual period changing the organisational structure and was as a result unable to address the main contractual issues such as instituting measures to reduce water loses (WaterOrg1, Director4). A senior manager of the WaterOrg commented:

‘They (PrivateCo) had a lot of resistance from WaterOrg senior management, they were not co-operating. […] They were here to manage for 5 years so there was no need to change the structure of the organisation. Just change the job descriptions and make people work. Rather they decided to change the organisational structure and spent most of the time arguing with the WaterOrg’ (WaterOrg1, SeniorManager5).

Others were disappointed by the fact that the PrivateCo did not bring their own people to come and lead the proposed changes. They were instead relying on the WaterOrg staff who were doing the same things that they had been doing under the management of the WaterOrg, potentially with the same performance outcomes (WaterOrg1, Director3; Govt1, Director1). A senior manager of the WaterOrg commented:

‘One would have expected that in order to effect the change they envisaged, they would go to the districts and regions and change the structures and bring their own people to come and lead the change. Rather they were using the same WaterOrg staff who were doing the same things and getting the same result’ (WaterOrg1, Director3).

***6.5.3.3. Promotions – qualities valued***

Another issue with promotions was in relation to which qualities were valued. This value was arguably due to cultural issues. A senior manager of the WaterOrg emphasised that apart from skills and competence, the PrivateCo was interested in people who were hardworking irrespective of their background. In contrast to WaterOrg, they did not show more respect to people simply because of their job role or length of service.

‘They also had problems with promotions. You see Whites don’t care about positions. Even if you’re a labourer and they see that you are hard working they prefer and pay attention to you than a manager who is not performing but our people didn’t understand that. They believe in seniority in terms of grade and long service. You could call them by their first names such as Philip. Here who dare you, you will be dismissed’ (WaterOrg1, SeniorManager2).

It was revealed that the PrivateCo demonstrated a lack of understanding of Ghanaian culture particularly in relation to how structural changes in the WaterOrg were made. Some of the PrivateCo’s expatriate personnel who had lived in other African countries before thought that Ghanaians had the same attitudes and behaved in similar ways as the people they had encountered elsewhere in Sub-Saharan Africa. This was captured in the remarks of a senior union representative:

‘Some of those who had lived in other African countries before thought Ghanaians were like people they had seen or met somewhere in the continent particularly in terms of attitude, behaviour and all that’ (Union1, CEO1).

However, officers from the WaterOrg felt that the new structure was disrespectful to the company’s ‘top-down’ organisational structure (WaterOrg1, Director4; WaterOrg1, HR1; NGO1, Interviewee1). They felt that the company’s hierarchical structure was a typical reflection or characteristic of Ghanaian society that ought to be preserved. In Ghanaian culture, for example, the chiefs or elders are heads of tribes and families. Underneath them, power and authority are distributed downwards through to the junior members. The officers felt that the introduction of the new grading and organisational structure that culminated in the promotion of some junior officers to top positions with comparable benefits higher than their senior colleagues was disrespectful to their corporate structure, which emphasised seniority. As a result, they did not co-operate with the PrivateCo. The quotes below explain the reactions from senior managers of the WaterOrg:

‘They didn’t respect our culture. In our set up we have the Managing Director, Deputy Managing Director as leaders etc. that is connected to our culture. They disregarded our system and instead put one person as zonal manager with no experience. [...] When you go to Western, Volta or Ashanti you can’t say I’m going to see the commercial manager or operations manager. That system of management does not suit our culture. Rather, you will be going to see either the Area Chief Manager or the Regional Director for him to direct you to the appropriate person. That’s part of our culture and you’ve to respect that’ (WaterOrg1, Dirrector4).

‘We have a grading system. You can’t just throw that away and expected to co-operate with us. They didn’t seem to respect seniority of our culture’ (WaterOrg1, SeniorManager5).

A domestic consumer of the WaterOrg observed that the new structure was not only disrespectful but also aimed at weakening the authority of the WaterOrg (Domestic Consumer4). Although it is difficult to know the real intentions of PrivateCo’s promotions and restructuring strategy, evidence from the findings suggests that it was discriminatory in favour of the commercial officers, partly due to the lack of understanding of the Ghanaian culture.

Another respondent, this time a senior manager of the WaterOrg, also noted that the new structure made the WaterOrg disorganised, created confusion, and was as a result demoralising for staff (WaterOrg1, Director4). Nevertheless, it was also revealed that some senior managers were not happy mainly because they lost their positions under the new system (Union1, CEO1; WaterOrg1, Director1). A senior manager of the WaterOrg explained:

‘The introduction of the new system was a nightmare for some of our top men. The powers of Regional Engineers and Regional Chief Managers were taken away while junior staff with low-level skills were running the operations’ (WaterOrg1, Director2).

6.5.4. Work environment

Privatisation of the Ghana WaterOrg also resulted in changes to the office environment and improvements in information technology (WaterOrg1, Director6; WaterOrg1, Director2; WaterOrg1, Director1; WaterOrg1, HR1; WaterOrg1, SeniorManager6; WaterOrg1, Manager6; WaterOrg1, Employee1; Unioin1, CEO1). Many respondents from the WaterOrg felt that their offices were transformed through renovations (WaterOrg1, HR1; WaterOrg1, SeniorManager6; WaterOrg1, Manager7). In addition, the offices were equipped with modern information technology such as the use of computers and internet facilities (WaterOrg1, Senior Manager7; WaterOrg1, Manager8; PrivateCo1, SeniorManager1). The following quotes explain this further:

‘The modernisation of the WaterOrg’s offices is a credit to the PrivateCo. Hardly would you see the WaterOrg’s offices with computers and internet connections’ (WaterOrg1, Manager7).

‘They (PrivateCo) also removed all the carpets and replaced them with floor tiles to reduce the cost of renovating and improve the system with computers and others’ (WaterOrg1, Employee1).

The measures were widely believed to have improved the operations of the WaterOrg. For instance, the use of computers and internet improved communication and information dissemination (WaterOrg1, SeniorManager2; WaterOrg1, Manager5; WaterOrg1, Employee3; Commercial Consumer3). There was also an indication of less paperwork, less stationery and therefore savings in procurement costs:

‘Currently, we use laptop computers, call centres and numerous payment outlets including the use of mobile phones and also send minutes of meetings through emails. For the first time, we had split air conditions, floor tiles, latest furniture and other things’ (WaterOrg1, SeniorManager2).

‘There were some improvements including office refurbishment and modernisation with computers and internet network, which made it easy for us to communicate. WaterOrg’s offices have been transformed and looked so different like it used to be’ (WaterOrg1, Manager2).

‘The PrivateCo also upgraded the WaterOrg’s offices with modern computers to improve operations’ (Commercial Consumer3).

However, some respondents felt that office renovations and computerisation were not the main priority under the contractual agreement (WaterOrg1, Director6; WaterOrg1, Director2; WaterOrg1, Director1; WaterOrg1, SeniorManager1). In addition, the PrivateCo changed the office buildings in order to please the workers (WaterOrg1, Director1), but did not discuss this with the asset owner, the WaterOrg (WaterOrg1, Director2). This culminated in a substantial amount of money being wasted that could have been used to offset some of the company’s outstanding debts (WaterOrg1, Director2; WaterOrg1, Director1). The following quotes elaborate on the issue:

‘We were even challenging them about going round changing office accommodations to look like their home country. Those things were not a priority in the contract. The targets were not for repainting of offices and changing carpets but they used all our money from the revenue accounts for those things. Those things were not their properties anyway so if they wanted to do anything to them the first thing was for them to discuss with the assets owner (WaterOrg)’ (WaterOrg1, Director2).

‘Office renovations, computers, customers paying through mobile phone at what cost. Under the terms of the contract, they were to collect revenue. However, they concentrated on office renovations just to please the staff, which were not the main priority, wasting resources in the process’ (WaterOrg1, Director1).

Other felt that although the PrivateCo was able to improve on the technology and the working environment, this was less important than other aspects of work agreed performance targets (WaterOrg1, Director6; Union1, CEO1), as the quotes below explain:

‘I keep telling people that it was computer appreciation and office beautification. [...] However, performance in every aspect was about the same level that we were doing. In fact, all the efficiency parameters were the same as it was before’ (WaterOrg1, Director6).

‘They assisted a lot with ICT reporting system […] they also assisted in changing offices and others. But as to the real work as far as I am concerned there was nothing’ (Union1, CEO1).

Nevertheless, the technological improvements and office renovations enabled employees in the WaterOrg, and particularly those in the regions and districts, to work comfortably (WaterOrg1, HR1). There was, however, some doubt that the WaterOrg, in its current financial circumstances, would be able to keep pace with technological innovations (Regulator, Director1):

‘I don’t think Ghana Water as we see them now are making themselves available to technological innovations and new ways of working. It could be due to lack of finance. [...] But the work culture at the WaterOrg didn’t and hasn’t changed. The WaterOrg’s field workers still use the same uniform and tools they have been using before the PrivateCo came in’ (Regulator, Director1).

6.5.5. Working time

The shift system of working was not a phenomenon that had previously been practiced in the WaterOrg. However, a 24-hour shift system was introduced for the call centre staff (WaterOrg1, SeniorManager6; WaterOrg1, Manager6; WaterOrg1, Employee2). Some respondents from the WaterOrg suggested that some call centre staff were not happy with the shift system because they thought that it would have severe implications on their ways of lives and in particular on family relations. Yet, there was nothing they could do because there were uncertainties about job security and employees wanted to keep their jobs (WaterOrg1, SeniorManager6; WaterOrg1, Employee2).

‘They introduced a flexible shift system for call centre staff at mile 4. It was difficult for some of them initially because of family issues and others but they realised that it was better than being asked to go home’ (WaterOrg1, SeniorManager6).

‘Some members of staff work with morning and afternoon shift system introduced by the PrivateCo. I think it's not the best for those with young children but it's better than not having any job’ (WaterOrg1, Employee2).

**6.5.6. Employee performance appraisal**

Another concern that emerged was in relation to monitoring and supervision. Many respondents felt that the WaterOrg had problems with monitoring and supervision prior to the management contract (WaterOrg1, Director1; PrivateCo1, SeniorManager1; NGO1, Interviewee1; NGO2, Interviewee1; Govt2, Director1; Regulator, Director1; Domestic Consumer5). Respondents felt that monitoring and supervision were weak partly because there were no effective standard or scientific criteria for assessing employees’ performance (WaterOrg1, Director1). This made it difficult for employees to be sanctioned on performance related issues. It also encouraged the practice whereby some employees could stay on the job until retirement without any effective evaluation of their performance (NGO1, Interviewee1).

‘There are no standard scientific criteria to assess people so if an employee is not performing it is very difficult to justify it scientifically. So you can only query if you assign a job and it is not done within the stipulated period. We need to have a system of evaluating otherwise people will pin interpretations to disciplinary actions and sanctions’ (WaterOrg1, Director1).

It was also revealed that monitoring was weak because employees were not trained to understand the importance of performance targets (Domestic Consumer1). Instead, they were encouraged to take their salaries once they turned up for work irrespective of whether the performance was good or bad (Govt2, Director1; Domestic Consumer1). This is captured in the quotes below:

‘Staff management particularly monitoring was part of the problem because they took their salaries irrespective of good or bad performance. Workers didn’t attend to leakages on time so they were seriously part of the problem’ (Govt2, Director1).

‘We don’t monitor and give people targets. People just get paid once they come to work’ (Domestic Consumer1).

Some respondents, on the other hand, felt that monitoring and supervision was a problem because those monitoring performances were inefficient (NGO2, Interviewee1; PrivateCo1, SeniorManager1; WaterOrg1, Manager2). One of the reasons cited for these weaknesses was that competent people were not given the responsibility to do the monitoring (WaterOrg1, Manager2). The other relates to the fact that monitors did not have power and authority to make critical decisions such as how to implement their findings (NGO2, Interviewee1). Employees who knew the weaknesses, therefore, exploited them to their advantage, leading to a breakdown of discipline (PrivateCo1, SeniorManager1). The quotes below explain respondents’ views on the issue:

‘In the public sector, nobody does the monitoring. In the case of the WaterOrg, the State Enterprises Commission (SEC) is supposed to monitor and supervise their operations. But the SEC doesn’t have the capacity to bite. Whatever they find out the report is sent to the presidency and it’s up to the presidency to act. Ask them when was the last time their recommendations were acted upon? (NGO2, Interviewee1).

‘Discipline was an issue partly because the monitors were not monitoring effectively hence performance was dropping. [...] Whether it was because the monitors were inefficient to do their job or they had certain weaknesses that the staff who broke the rules knew and took advantage of it’ (PrivateCo1, SeniorManager1).

Others felt that monitoring was not effective, both from the perspective of the PrivateCo, and WaterOrg Head Office (WaterOrg1, HR1; Union1, Shop Steward1). In the case of the former, it emerged that in some regional offices of the WaterOrg some seconded staff were not performing well due to a lack of supervision (Union1, Shop Steward1). In the latter case, it emerged that the WaterOrg Head Office did not have an effective monitoring team that could monitor the PrivateCo’s activities (WaterOrg1, HR1), even though it was their contractual obligation (Government of Ghana, 2005). The following quotes explain this:

‘We also didn’t do our homework well in that we didn’t have strong monitoring and evaluation team to monitor the PrivateCo’ (WaterOrg1, HR1).

‘On Fridays in the regions, people just picked their cars, went to where ever they were going because there was no boss, and were doing what they wanted’ (Union1, Shop Steward1).

In contrast, some respondents from the WaterOrg felt that monitoring was more effective under the management of the PrivateCo (WaterOrg1, SeniorManager4; WaterOrg1, Manager3; WaterOrg1, Employee7). The officers felt that monitoring improved for three main reasons. First, because the PrivateCo’s management team frequently asked questions and wanted to know about the progress of work (WaterOrg1, SeniorManager4). Second, employees were given performance targets with the necessary support (WaterOrg1, Employee8). Third and finally, all performance-related activities were captured on a central computing system installed by the PrivateCo (WaterOrg1, Manager2; WaterOrg1, Employee4). Thus, whereas employees had previously not conducted themselves within the framework of working hour’s regulations, when the PrivateCo took over that practice was brought to a halt and consequently led to a change in attitudes. The quotes below shed light on the issue:

‘In fact, monitoring was effective when PrivateCo was here. They would ask questions about how work was going on. […] Their way of doing things was good. People came to work early and they would not leave until the time to close. When PrivateCo was here even after 5 pm, you would see people at the offices. Now people idle about and don’t seem to care, things are changing’ (WaterOrg1, SeniorManager4).

‘Monitoring system improved. They put in place centralised computer system to capture activities of all districts’ (WaterOrg1, Manager2).

‘We were given targets and they supervised to make sure we were on track. If there were problems they were willing and ready to help’ (WaterOrg1, Employee8).

A senior public official emphasised further that because of the effective monitoring and supervision systems brought into effect by the PrivateCo, meter readers could no longer cause financial losses to the company (Govt4, Director1). For instance, they could no longer exploit the weaknesses in the revenue collection system such as taking money (a bribe) from customers in order to underestimate their bills:

‘Before the management contract, some of the meter readers were conniving with some customers to underestimate readings and billings. But after privatisation, the system changed completely so they could no longer do that’ (Govt4, Director1).

Although the findings above reveal that monitoring was ineffective under the management of the WaterOrg because of management weaknesses, particularly in work design and in setting performance targets, yet it could also have resulted from their close cultural and social ties.

***6.5.6.1. Performance targets***

The majority of respondents from the WaterOrg noted that employees were given performance targets under the management of the PrivateCo (WaterOrg1, Director2; WaterOrg1, SeniorManager6; WaterOrg1, Manager5; WaterOrg1, Employee3). This put a considerable amount of pressure on employees as they aimed to achieve their targets (WaterOrg1, SeniorManager1; WaterOrg1, Manager1; WaterOrg1, Employee3). The pressure on employees to produce results encouraged bad practices such as data manipulation that consequently compromised the submission of crucial information on water quality (WaterOrg1, SeniorManager1). A senior manager of the WaterOrg explains:

‘I think we were put under immense pressure to produce a result. For instance, they wanted information on water quality in two or three days after sending a request. It was very difficult to do that in three days because it has to be collected and collated from all the regions and that can’t be done in two or three days. So we had to manipulate the figures. Because that was what they wanted. Finally, we ended up dropping that (water quality) submission because it wasn’t possible to get’ (WaterOrg1, SeniorManager1).

Some employees also claimed that they did not feel pressured (WaterOrg1, SeniorManager5; WaterOrg1; Manager1; WaterOrg1, Employee7) for two main reasons: firstly, because they performed their tasks the same ways as they had been under the management of the WaterOrg (WaterOrg1, Manager2), and in addition, no action was taken against those who could not achieve their targets (WaterOrg1, SeniorManager5):

‘There was no pressure because there wasn’t any greater demand from us to perform. We had targets, which we were to achieve and if you achieve your target, they reward you. Those who didn’t achieve their targets no action was taken against them’ (WaterOrg1, SeniorManager5).

Secondly, because they were motivated in the form of incentives and logistical support (WaterOrg1, Employee7; WaterOrg1, Employee3; WaterOrg1, Manager7; WaterOrg1, Manager3; WaterOrg1; Manager1). For instance, there were claims that transport allowances were paid promptly to improve morale (WaterOrg1, Employee8). In extreme situations, for instance, when vehicles for field trips were not available, the PrivateCo’s top managers released their official vehicles to facilitate the work. Under the management of the WaterOrg, that practice or phenomenon was not tolerated or unthinkable (WaterOrg1, SeniorManager2; WaterOrg1, Manager1; WaterOrg1, Employee7; WaterOrg1, Employee5). The following quotes explain reactions from employees of the WaterOrg:

‘We were under pressure a little bit to meet performance targets and monitored by the system. But we were also motivated to achieve targets. They release resources (cars) to facilitate and address serious operational issues, which wouldn’t happen under the old regime’ (WaterOrg1, Manager1).

‘We were a little under pressure to meet performance targets but they helped with inputs such as cars to move around to make the announcement. It was very good and exciting period for us’ (WaterOrg1, Employee3).

In addition, commercial/revenue officers were given brand new vehicles to improve revenue collection (WaterOrg1, SeniorManager2). They were also given the authority to rent vehicles in extreme situations with the view to improve their operations and revenue collection. A senior manager of the WaterOrg remarked:

‘They also bought a brand new vehicle for any commercial staff who qualifies for one to enhance their operations something which had for years been the preserved of engineers. Even in instances where vehicles were not available, they gave us the authority to rent which had never been done before all with the view to boost revenue collection’ (WaterOrg1, SeniorManager2).

***6.5.6.2. Performance management and discipline of seconded staff***

For a public-private partnership to be effective and achieve its intended objectives, it is imperative that the partners adhere to the control mechanisms underpinning the partnership (Tomlinson, 2005). This is important because control mechanisms set out the partners’ behaviours and performance parameters (Das and Teng, 2001). It also engages the social context of the partnership process, reflecting on the norms and values underpinning the partners’ institutions (Maguire et al., 2001). Ineffective management of the control mechanisms can open up avenues for opportunistic practices that could lead to disagreements, lack of co-operation and tensions. In the Ghana water privatisation, however, the PrivateCo lacked control or authority over the seconded staff. This section presents the reasons behind this phenomenon.

Most respondents from the WaterOrg revealed that the PrivateCo’s lacked authority over the seconded staff, particularly on disciplinary issues as a result of the terms set out in the management contract. Under the terms of the management contract, the PrivateCo could not take unilateral decisions on any disciplinary matters as far as the seconded staff were concerned. If the PrivateCo found problems with any employee all they could do was to refer the matter to the WaterOrg Head Office for proper disciplinary procedures to be followed. This arrangement was difficult for the PrivateCo because they felt that they should have the power and authority to manage people who were working directly with them. A senior officer of the WaterOrg noted:

‘The PrivateCo couldn’t sanction the seconded staff. If he finds anything wrong with an employee, the PrivateCo has to inform Head Office. It was very difficult for them. They felt if people were working under them they should be able to control them’ (WaterOrg1, Director4).

Another senior manager of the WaterOrg also pointed to the nature of the contract (WaterOrg1, Director1). The officer observed that because it was a management contract, key structural issues such as those relating to disciplinary procedures inherent in the old system of management under the WaterOrg did not change. Yet, the PrivateCo did not seem to have many options but to follow and work in partnership with the union and the WaterOrg to resolve such issues no matter how frustrating they appeared to be. The officer’s remark is as follows:

‘Management contract doesn’t change structures so the perception or inclination that management contracts will lead to improved performance is a myth. The old structures were in place, they couldn’t even discipline staff, had to follow the old system of query, union and committee before any action could be taken’ (WaterOrg1, Director1).

Some employees of the WaterOrg claimed that the PrivateCo had much difficulty controlling some seconded staff, and particularly the engineers. The engineers were not co-operating as a result of the conflicts and disagreements they had with some implementation issues including the management of the revenue collection account and appointments and promotions of some junior seconded staff to senior positions, as discussed earlier. Yet, the PrivateCo could not directly sanction them and therefore decided not to rely on the engineers anymore. Instead, the PrivateCo depended on the skills and advice of some junior officers, and particularly employees from the human resource and revenue / commercial departments. To demonstrate that they had some authority over the management process and the engineers, the PrivateCo relieved the engineers from their respective posts and all of them were asked to report at the WaterOrg regional office in Accra. Consequently, the powers of the engineers including regional directors and managers were taken away and all of them were brought to Mile 4, the WaterOrg’s regional office in Accra and kept in a single office as a form of punishment. An employee of the WaterOrg commented:

‘There were tensions between the PrivateCo and WaterOrg Head Office in relation to revenue collection and appointments and promotions of some junior officers. Because of that the PrivateCo had difficulty controlling some seconded staff from Head office particularly the engineers and kept all of them at Mile 4 as a form of punishment. They had to make recommendations to head office on disciplinary matters’ (WaterOrg1, Employee5).

A senior manager of the WaterOrg sums it up in the following remarks:

‘The powers of Regional Engineers and Regional Chief Managers were taken away while junior staff with low-level skills were running the operations. [...] I think some seconded staff from head office were challenging them and they didn’t like that. They also couldn’t discipline them without informing head office. So they decided that all regional directors and chief managers should come to Accra and all of them were dumped in one office at Mile 4 like a classroom style. They didn’t even have access to newspapers’ (WaterOrg1, Director2).

***6.5.6.3. Performance management and reasons for lack of co-operation***

Related to the above, various reasons were put forward for the lack of cooperation of the senior managers of the WaterOrg. These include the following: lack of interest in the management contract, the perception that the PrivateCo wanted full control of the WaterOrg Head Office and the sense of losing control over the management of the water sector. Others relate to the perception that the PrivateCo was gaining financially from the project and not Ghanaians, the perception that WaterOrg could not manage the water sector properly and strong union presence. These are discussed in turn below.

Some respondents believed that there was lack of co-operation because WaterOrg’s management did not want the partnership in the first place (Govt1, Director2; Domestic Consumer4). Respondents within this category believed that from the inception of the project to the time it was terminated there were suspicious. A senior manager of the WaterOrg commented:

‘It was a brilliant idea that should have worked but the WaterOrg’s management didn’t want it to happen that is why they sabotaged the process. Customers are now struggling for water’ (WaterOrg1, SeniorManager6).

Some senior managers of the WaterOrg also had the impression that the PrivateCo wanted full control of the WaterOrg including the Head Office. The PrivateCo thought having power and full control over the WaterOrg including the Head Office could enable them to implement their policies. This attempt, however, was resisted by the WaterOrg Head Office on the premise that they were advising the PrivateCo on a range of operational issues. One regional manager of the WaterOrg emphasised on this point:

‘They wanted to control Head Office staff but wasn’t successful. We were given you advice and you want to manage and control us. Then bring your own people’ (WaterOrg1, SeniorManager5).

Others felt that senior managers from the WaterOrg Head Office did not co-operate with the PrivateCo because they thought the WaterOrg was losing power and control over the management of the water sector in Ghana (Domestic Consumer10; WaterOrg1, Manager4). One domestic consumer explained this as follows:

‘The PrivateCo was using the WaterOrg staff to manage the system, some of whom were given positions that WaterOrg head office didn’t like. WaterOrg felt they were losing control so there was a kind of underground politics going on’ (Domestic Consumer10).

A senior member of an NGO also believed that the technical officers of the WaterOrg did not co-operate because they thought the PrivateCo was getting the financial benefits, not Ghanaians. The officer noted:

‘Again the top technical people felt the money was going to the PrivateCo and not to Ghanaians so they didn’t give their best. You are dealing with human beings you know’ (NGO2, Intervirewee1).

Another respondent, a senior manager of the PrivateCo believed that WaterOrg’s officials did not co-operate because of the perception that they could not manage the company efficiently that was why the PrivateCo was contracted and therefore were unwilling to help them to be successful.

‘They had a lot of resistance from Head office staff they were not co-operating. They said I’m inefficient and have brought you in so how do you expect me to co-operate with you’ (PrivateCo1, SeniorManager1).

Other respondents including members of civil society groups and WaterOrg staff believed that the PrivateCo’s inability to control the seconded staff was the result of strong union presence in the WaterOrg. Respondents within this category believed that union presence in the WaterOrg was strong. As a result, in difficult situations where the disciplinary action seemed to be inevitable, the union was able to intervene to ensure that all mediating channels were fully exploited before sanctions could be applied and thus offered protection to the employees. An NGO respondent had this to say:

‘All staff of the WaterOrg with technical capacity managing the system except a few at the Head Office were seconded to the PrivateCo management but because the WaterOrg is an unionised institution, the union had some leverage over the workers so it was difficult for PrivateCo. [...] The PrivateCo couldn’t discipline any of the seconded staff without discussing with the WaterOrg no matter how grievous the situation’ (NGO2, Interviewee1).

***6.5.7. Promotion of inexperienced staff to senior management roles***

Various concerns were raised in relation to the skills and competencies of the PrivateCo’s management team. There were concerns that they lacked knowledge in water operations. They were also thought to be inexperienced and accepted the contract for financial gains. As a result, employees did not learn anything new from them. Inexperienced people were appointed and promoted because it was a management contract; WaterOrg officials also played a part. This resulted in frequent changes in the PrivateCo’s management staff. Each of these issues is discussed in turn below.

Another issue, which became a source of concern, was in relation to the skills and competencies of the PrivateCo’s management team. Most respondents from the WaterOrg noted that the PrivateCo’s management team consisted of people who demonstrated a lack of knowledge in water operations and management (WaterOrg1, SeniorManager2; WaterOrg1, Employee1). There was nobody among them with technical knowledge on water distribution and operations. Because of that, they had to rely on the skills and expertise of the WaterOrg seconded staff, as the two following quotes explain.

‘The PrivateCo didn’t come with any technical personnel and had to rely on WaterOrg’s staff. They didn’t have a clue about water production and distribution. When they were here, there wasn’t any Western technical person here’ (WaterOrg1, SeniorManager5).

‘They didn’t come with a lot of technical staff; they used WaterOrg’s staff throughout the contract period’ (Regulator, Director1).

Consequently, they ended up following the same distribution routines such as the rationing system put in place by the WaterOrg (WaterOrg1, SeniorManager1).

Some public officials and employees of the WaterOrg also felt that the PrivateCo’s staff were inexperienced. There was a feeling among some people, particularly WaterOrg officials, that because it was a management contract the PrivateCo would bring their best management team. As a result, the level of co-operation was very good initially, to the extent that some WaterOrg officers sacrificed their time to work on Sundays. Yet, it was revealed that some of the PrivateCo’s staff were straight from school and had never worked or occupied any managerial position. Nonetheless, they were appointed to make critical decisions on water management. Because of that, it was demoralising for the WaterOrg employees and difficult for the PrivateCo managerially. A senior manager of the WaterOrg remarked:

‘Initially, there was trust and co-operation because WaterOrg had problems and saw the PrivateCo as the only hope to come and improve performance. Therefore, people really bought into the idea. Even on Sundays, we were driven here doing returns here and there. However, most of the staff they brought didn't even qualify to manage. [...] Some were straight from school; some were on attachments and assuming high positions in water management so it was difficult for them and demoralising for WaterOrg employees’ (WaterOrg1, SeniorManager2).

A senior public official also emphasised:

‘The PrivateCo came with only a few inexperienced people. They didn’t bring any expertise here. That’s why WaterOrg’s staff were seconded to them’ (Govt1, Director2).

Senior officers of the WaterOrg thought that even if some of the PrivateCo’s staff possessed the necessary academic qualifications and managerial abilities, experience and knowledge of water operations and distribution was critical. The officers were also disappointed by the fact that the PrivateCo did not bring the senior manager that they had proposed earlier to come and lead the change process. A member of the WaterOrg management team remarked:

‘In a company like this, the Director of operations should be a technical person, someone who knows the water distribution systems. The director of operations they brought was somebody who did administration. Although the person has the managerial skills, he didn’t have any technical abilities in water distribution system’ (WaterOrg1, Director4).

An employee of the WaterOrg noted further that the PrivateCo’s team were inexperienced and needed support from the WaterOrg in order to be successful. However, due to the disagreements they had with the WaterOrg they could not work together (WaterOrg1, Employee1).

Some respondents, comprising of a senior public official, domestic consumer and a senior manager of the WaterOrg, had the impression that the PrivateCo accepted the offer to manage the WaterOrg because of the financial gains. The respondents believed that the PrivateCo had no desire to manage the inefficiencies in the system (WaterOrg1, Director6), and that was why they did not bring any technical staff and depended on the WaterOrg’s seconded staff. According to these respondents, therefore any improvements in the system should not be credited to the PrivateCo. Stressing this point, a senior public officer commented:

‘They didn’t bring any technical people. They just came to take our money away. They didn’t bring anything so WaterOrg’s staff manage the system. So any improvement in the system was not connected to the management contract’ (Govt2, Director1).

Another respondent - a domestic consumer of the WaterOrg - also felt that employees did not learn anything new because the PrivateCo did not bring any technical team. This is reflected in the following remarks:

‘They just came to take money away. They didn’t bring any management team so employees didn’t learn anything new from them. Any improvement or investment at the WaterOrg was not connected to the management contract’ (Domestic Consumer5).

Some respondents from the WaterOrg felt that the PrivateCo brought inexperienced people because it was a management contract. There was a feeling that if there had been another form of privatisations such as outright sales the management approach would have been different. A senior manager of the WaterOrg noted:

‘Inexperienced people were brought in because of the nature of the contract (management) compared to say outright sale in other privatisations such as the Telecom’ (WaterOrg1, Director2).

Another respondent, a senior manager of the PrivateCo, believed that the WaterOrg’s senior managers also played a part in bringing inexperienced people. This was primarily because every appointment made by the PrivateCo was vetted and approved by senior managers of the WaterOrg. The officer noted further that because the PrivateCo’s staff were inexperienced they were making mistakes, particularly with respect to finances:

‘They brought in inexperienced people and gave them good positions but I don’t blame them that much because whoever was appointed curriculum vitae was vetted and approved by the WaterOrg officials. [...] I had the opportunity to take over (act) from one of them when he went on leave. When he came, I showed him mistakes he was committing and he said he felt Ghanaians were as honest as the Dutch. But you wouldn’t have come in if they were honest. They were overspending and were not monitoring where the expenses were going’ (PrivateCo1, SeniorManager1).

Other respondents, comprising a senior representative of the workers union and a senior manager of the WaterOrg, felt that because the PrivateCo’s staff were inexperienced it culminated in frequent changes of their personnel, and particularly the Managing Directors (Union1, CEO1; WaterOrg1, Director1). They also noted that the operations and technical managers of the WaterOrg did not seem to respect them. A senior representative of the union captured this point:

‘You bring somebody to come and be the MD of the PrivateCo. He comes and sits down with some WaterOrg’s staff who are experienced and technical. When they realised the person doesn’t know anything do you think that they will respect him? Within 5 years they changed MD about four times’ (Union1, CEO1).

**6.5.8. Job transfers and job cuts**

The re-organisation also resulted in a series of transfers (Govt4, Director1; WaterOrg1, Manager8; WaterOrg1, Employee1; Domestic Consumer1) that consequently cost the WaterOrg a lot of money in providing accommodation and other logistical support (WaterOrg1, Director4). As the following quotes explain:

‘In some cases, regional managers were transferred. In WaterOrg, when you transfer somebody, you have to provide him or her with accommodation and other logistical support, that cost so much money, and a chunk of our money went into the re-organisation programme’ (WaterOrg1, Dirrector4).

‘In terms of changes to WaterOrg employees. I used to know some friends at WaterOrg but after the privatisation, some were transferred to other regions and areas they didn’t even know. They had been in Accra for many years and were performing’ (Govt4, Director1).

It also emerged that after the contract had been terminated and management was handed back to the WaterOrg, some seconded staff, presumed to have been given top positions by the PrivateCo, were transferred to awkward places as a form of punishment (Union1, CEO1; WaterOrg1, Director2; WaterOrg1, Manager8). The following quotes explain this in more detail:

‘After the PrivateCo had left they all thought Mr. C had unnecessary power so when the new MD was appointed the first thing he did was to send Mr. C who was the director of human resources to a region that has only 45 staff because of victimisation’ (Union1, CEO1).

‘There were internal conflicts, black man against black man. After they had left, now there is a complete overhaul of the whole institution resulting in some transfers in the form of punishment. It’s payback time’ (WaterOrg1, Director2).

With respect to job cuts, most of the respondents claimed that job loses became an inevitable consequence of the implementation process (NGO1, Interveiwee1; WaterOrg1, HR1; WaterOrg1, Manager7; WaterOrg1, Employee6, Commercial Consumer1; Govt3, Director1). There were job losses at the employee level and those involving senior managers of the WaterOrg (WaterOrg1, Director2; WaterOrg1, SeniorManager1; WaterOrg1, Employee5; Domestic Consumer10; Commercial Consumer3). Senior managers, who lost their jobs, including Managing Directors, were believed to be members of the opposition political party (WaterOrg1, SeniorManager1). This was primarily because Managing Directors in most public institutions in Ghana including the WaterOrg were appointed by the president or the party in power (Union1, CEO1; WaterOrg1, Director3). A senior manager of the WaterOrg commented:

‘In terms of job losses I myself was removed. Others at the top presumed to be members of the opposition party were sacked including the Managing Director and his Public Relations officer’ (WaterOrg1, SeniorManager1).

Another respondent, a senior public official had this to say:

‘Like every policy reforms, there are likely to be intended as well as unintended consequences that were why there were job losses, […]. They tried to make sure there was fairness on how these things were done […] but the level of influences was complex sometimes political’ (Govt1, Director2).

Some customers of the WaterOrg also expressed their opinion in the following quotes:

‘There were lots of transfers, promotions and job losses even at the head office’ (Commercial Consumer3).

‘There were numerous transfers and job losses even at the WaterOrg’s Head office leading to frequent changes of managing directors’ (Domestic Consumer10).

It was revealed that during the implementation process, one Managing Director, for instance, was sacked after being blackmailed that under his/her management the WaterOrg was using an expired aluminium sulphates (alums) to treat water (Union1, CEO1). This was simply because the appointing authority did not like the director and wanted to use whatever means to get rid of him/her (Union1, CEO1; WaterOrg1, Director3). The allegation, however, seemed to have been secretly made up by the officer’s opponents in order to have control over the chemical procurement business (Ghana News Agency, 2013). It could be argued that the officer was removed from office because s/he was not a favourite of the ruling party or the government in power. This finding, nevertheless, is a reflection of the extent of political interference on WaterOrg management after privatisation. Yet, it could also be due to the fact that his/her management style was seen as a threat to others’ opportunistic and corrupt procurement practices:

‘At the time I went there they were selling alum $530 per ton to us, I said no that was too high so let’s look for more competitive prices to this. We did it and within 2 years the price had dropped from $530 to $340 making a saving of $190 per ton. If you multiple it by the quantity that we need it meant that was saving us $2.9 million a year. But the one who has been bringing in the goods has been handling this for over 30 years monopoly so what do you think will happen. They created a situation for the country and the whole world to see that Ghana Water was using expired aluminium sulphates simply because they needed to get rid of me’ (WaterOrg1, Director3).

‘Alum never expires it’s the potency that sometimes goes down so you have to add more than necessary. Because X was the manager and they didn’t want him they managed to have the request from the manufacturer to have an expired date and then blamed X for having done that’ (Union1, CEO1).

In the case of job losses that occurred at the employee level, it was revealed that most of them were voluntary redundancies (WaterOrg1, Manager8; WaterOrg1, Employee6; NGO1, Interviewee1). In addition, those close to retirement, weak and critically ill or had serious disciplinary records also lost their jobs (WaterOrg1, HR1; WaterOrg1, SeniorManager6; WaterOrg1, Employee4).

Some respondents from the WaterOrg, on the other hand, believed that the impact on job security was not severe because of the union presence (WaterOrg1, Director1; Union1, Shop Steward1). This is an indication that the union potentially might have resisted any measures that could have resulted in the substantial amount of job losses. The following quotes explain this further:

‘Job security has never been a problem before or after the management contract. Workers are always assured because of unionisation of both junior and senior staff. You cannot just do away with people even though some people lost their jobs’ (WaterOrg1, Director1).

‘Job security wasn’t affected that much because the union fought to protect the interest of workers’ (Union1 Shop Steward1).

Yet, it was also revealed that job security was protected because of the costs that this would have incurred (WaterOrg1, Director3; WaterOrg1, HR1). A senior manager commented:

In terms of job security […], they were protected because it could have cost millions of dollars in compensation to get rid of the seconded staff’ (WaterOrg1, Director3).

In summary, this section reveals that pay increased at an unprecedented rate for the WaterOrg employees under the management of the PrivateCo. The management team of the PrivateCo was also paid huge sums of money on a monthly basis compared to their Ghanaian counterparts. There was an improvement in training for almost every employee of the WaterOrg. Most commercial/revenue officers for the first time had the opportunity to undertake overseas training, a practice which until the management contract had been available to engineers. There were also changes in the work environment including improvement in information technology and renovation of offices of the WaterOrg. The section also reveals that junior officers, mostly from commercial/revenue department, were promoted as part of the restructuring and reorganisation measures instituted by the PrivateCo. The promotion was underpinned by the fact that the PrivateCo’s style of management emphasised hard work, individual skills, and competencies. In contrast, the WaterOrg management style had stressed seniority, training, and experience. The two contrasting management approaches in the implementation of the management contract led to tensions, disagreements, and lack of co-operation. Some top managers from the WaterOrg felt that the PrivateCo’s management team were inexperienced and did not have technical knowledge of water operations and distribution yet they were making critical decisions on water management. As a result, the PrivateCo had difficulties controlling the seconded staff particularly those from the WaterOrg Head Office. Job transfers and job cuts also became symbolised with the implementation of the management contract in the WaterOrg.

The findings above suggest that until the management contract, employees’ pay was considered to be inadequate. This might have been demoralising for them and contributed to the WaterOrg performance problems. The PrivateCo’s efforts to improve the working conditions by targeting or focusing on revenue officers also might have caused or heightened the already polarised division in the WaterOrg between the revenue / commercial officers and others, particularly within the engineering department. This consequently might have contributed to the disagreements and tensions that underpinned the partnership implementation process.

**6.6. Impact on consumers**

One of the objectives of water privatisation in Ghana was to improve efficiency and accessibility of service (water) delivery to all sections of the population (Government of Ghana, 2005). In order to achieve the intended objectives, several measures and initiatives were implemented. These measures were widely believed to have impacted on the lives of WaterOrg’s household consumers. The first measures related to processes for collecting payment and dealing with complaints: the installation of meters; payment outlets; and the use of call centres. The second set of measures related to the actual payment: tariffs and uncredited payment. The third related to the actual delivery of water: water delivery and the pro-poor project for water delivery. Figure (6.4) below shows this diagrammatically. This section discusses each of these issues in turn.

Figure 6.4. The outcomes of the management contract for service users

Source: Author’s Fieldwork, 2014

**6.6.1. Installation of meters, leading to more accurate measurement of water use**

Some research participants noted that after the implementation of the management contract, meters were installed for some customers (NGO1, Interviewee1; Govt3, Director1; WaterOrg1, Manager8; WaterOrg1, SeniorManager3; Domestic Consumer10). It was revealed that meter installation was part of the PrivateCo’s strategy to improve revenue mobilisation (NGO1, Interviewee1). Consequently, pre-paid meters were installed for customers in some communities. The outcome of the pre-paid meters was, however, disappointing because of civil society opposition. Civil society members considered that the introduction of pre-paid meters in a low income country such as Ghana could have serious repercussions on consumers and therefore was not necessary (NGO1, Interviewee1). A representative of an NGO explained the process by which the installation of meters took place:

‘Immediately after the management contract, a pilot project was undertaken in Tema Community 2 and 5 involving the installation of pre-paid meters as part of revenue mobilisation drive. The company involved was Aqua met. They collected revenue for the PrivateCo but it didn’t work very well. In fact, we fought about it because even in the UK they kicked against it’ (NGO1, Interviewee1).

Another respondent, a senior public official, noted that meter installation was intended not only to increase revenue mobilisation (Govt3, Director1), but was also aimed at addressing one of the inefficiency problems at the WaterOrg, which was water losses, or water that could not be accounted for. The officer noted:

‘The PrivateCo was able to improve the technological aspect of the business. More meters were installed by some sub-contractors in some communities in Tema, aimed at reducing water losses and improve revenue collection. Yet after the projects, Ghanaians still didn’t get water’ (Govt3, Director1).

One of the causes of water losses was because, in some areas where water was flowing, most customers were given estimated bills, probably due to insufficient meters. This made it difficult for the WaterOrg to know the actual amount of water that those customers were consuming. Meter installations were therefore aimed at addressing some of the problems of water losses (Domestic Consumer10; Commercial Consumer3; WaterOrg1, SeniorManager6; WaterOrg1, Manager4; WaterOrg1, Employee7).

It is difficult from the finding above to know the real intentions behind PrivateCo’s meter installation strategy. The introduction of the pre-paid meters, however, seemed to have provoked an angry reaction from members of the public and particularly civil society groups.

**6.6.2. Additional payment outlets**

With respect to payment outlets, most respondents indicated that the PrivateCo had improved on the means through which customers could pay their water bills (WaterOrg1, SeniorManager2; WaterOrg1, Manager1; WaterOrg1, Employee2; Domestic Consumer7; Commercial Consumer1; Govt1, Director2; Govet4, Director1). It was revealed that there were not many pay points or outlets under the management of the WaterOrg, and that had meant that most customers previously had to go to the WaterOrg’s offices to pay their bills. However, when the PrivateCo took over, more pay points were set up (WaterOrg1, SeniorManager2). A senior manager of the WaterOrg noted:

‘During our (WaterOrg's) time there weren’t enough payment outlets except for customers to walk to the office and make payments but the PrivateCo improved on that’ (WaterOrg1, SeniorManager2).

Some respondents, and particularly WaterOrg employees and some consumers also felt that customer service improved as a result of the set-up of pay points (WaterOrg1, Manager8; WaterOrg1, Employee7; Commercial Consumer3; Commercial Consumer1). A manager of the WaterOrg noted:

‘Customer complaints and service was excellent with the set-up of toll-free call centre and pay points’ (WaterOrg1, Manager4).

A customer of the WaterOrg emphasised further:

‘Customer service and complaint procedures improved a lot due to the set-up of various pay outlets […] for customers to pay bills and report faults and complaints’ (Commercial Consumer1).

An employee of the WaterOrg also noted that the changes were useful, not only to the WaterOrg but also to customers, because most of them were excited by the fact that they were able to pay their bills easily. The officer commented as follows:

‘The changes were very helpful. Some customers were happy because they were getting bills on time and could pay easily using their mobile phones. We have more pay outlets […] now than before’ (WaterOrg1, Employee2).

Some respondents - customers of the WaterOrg - observed that customers now had more options regarding ways in which to pay their bills, including through banks, with the use of mobile phones and internet facilities, provided that users had access (Domestic Consumer1; Domestic Consumer6). In addition, more pay points had been opened for residents in some communities (Domestic Consumer6).

However, although the choice regarding payment methods was often regarded as beneficial, this was often not felt to be as important as the actual delivery of water (WaterOrg1, Employee1; Domestic Consumer2; Domestic Consumer4; Domestic Consumer8). One customer who felt there was no improvement in water supply had this to say:

‘There were technological improvements in terms of bill payments and complaints reporting but in terms of water accessibility, there was no improvement’ (Domestic Consumer4).

Another customer emphasised further:

‘The only benefits was that in areas where water flows regularly they set-up some pay points so customers could pay for instance by phones and through the banks. […] But that wasn’t what the public were very much hoped for, they needed water’ (Domestic Consumer8).

Similarly, an employee of the WaterOrg noted:

‘They improved the WaterOrg’s operations with computer system and set-up more payment centres. As soon as payment is made, it is shown on the central computer. For that part, it was very good to reassure customers of their payments. But the water was not going which was what they expected’ (WaterOrg1, Employee1).

**6.6.3. Call centres leading to improved customer service**

Another issue that emerged from the findings, and was widely believed to have impacted on water consumers was the use of call centres (Regulator, Director1; Domestic Consumer1; Commercial Consumer3; WaterOrg1, Employee5; WaterOrg1, SeniorManager2; WaterOrg1, Director1; NGO2, Interviewee1). Some respondents noted that the introduction of the call centres improved interaction between the WaterOrg and its customers, particularly with respect to faults or complaints reporting (Regulator, Director1; WaterOrg1, Employee5; WaterOrg1, Manager8; WaterOrg1, HR1; Domestic Consumer10). The importance of call centres is captured in the following remarks:

‘In terms of consumer complaints, they brought in call centres with toll free numbers so customers could report problems and concerns. So in terms of customer engagement that was a plus’ (Regulator, Director1).

‘Customer complaints improved with the set-up toll-free call centres’ (WaterOrg1, HR1).

One customer of the WaterOrg felt that the call centres were the only important change resulting from the management contract (privatisation). The customer commented:

The only significant changes I noticed was the establishment of call centres for customers to report faults and complaints (Domestic Consumer1).

An employee of the WaterOrg felt that the call centre system should have been kept for a longer period of time:

‘They set-up toll-free call centres that operated 24 hours a day so that customers with problems could phone which was very good. If these people had been kept a little longer things would have changed’ (WaterOrg1, Employee8).

Some respondents from the WaterOrg, on the other hand, felt that customer complaints were dealt with promptly because of the set-up of the call centres (WaterOrg1, Manager2; WaterOrg1, SeniorManager3). The call centres existed before the management contract. However, they improved under the management of the PrivateCo (WaterOrg1, Director1; NGO2, Interviewee1).

The call centres may have improved the qualitative experience, but were part of the key contractual targets.

‘They set up call centres where complaints were recorded on computer and they improved our control room where staff work 24 hours on daily basis. But these were all qualitative achievements. They were not part of the targets set in the contract’ (WaterOrg1, Director1).

The call centres improved the image and performance of the WaterOrg (Domestic Consumer7) and therefore should be replicated in other regions in Ghana where the WaterOrg is cited (WaterOrg1, Director3). However, it was also thought by some that the call centre initiative, although helpful in increasing revenue, again was less important than actual water delivery:

‘There were technological improvements in terms of bill payments and complaints reporting but in terms of water accessibility, there was nothing to talk about. Customer service and complaints improved because that was needed to bring in the revenue’ (Domestic Consumer4).

Other respondents also argued that members of the public were not interested in call centres and that their immediate concern was to get water (WaterOrg1, SeniorManager5; Govt1, Director1; Domestic Consumer2):

‘They set-up call centres to respond to complaints but that was not the immediate needs of the public. They needed water’ (WaterOrg1, SeniorManager5).

‘They […] set up call centres for customers to report complaints, but where is the water? Moreover, who has time to report on something, which is not even there’? (Domestic Consumer2).

‘Call centres were established in many parts to rectify problems. However, in critical areas of water distribution, which constituted a key component of the mandate it, was a disaster. Nothing improved, to be honest’ (Govt1, Director1).

**6.6.4. Increased tariffs**

Some respondents noted that the tariffs increased soon after the PrivateCo had taken over the management of the WaterOrg (Commercial Consumer2; Domestic Consume7; Domestic Consummer10; WaterOrg1, Manager5). However, the rate of increase was implemented by the tariff authorising body, the regulator (WaterOrg1, Manager2; WaterOrg1, Manager5; WaterOrg1, Employee5). In some instances, the tariff was increased without making the customers aware of the planned changes (NGO1, Interviewee1). The regulator thus increased the tariff, but the low rate of increase may have been for two main reasons (Union1, Shop Steward1; Domestic Consumer9; WaterOrg1, Manager4; WaterOrg1, Director1). First, due to concerns by the government that high increases might have serious electoral implications (WaterOrg1, SeniorManager1). For example, voters might use tariff increases as a reason to vote against the government in the next general election. The low increase also pointed to the lack of power by the regulator:

‘Tariffs was not increased that much, the government was not going to allow that for electoral reasons. Even though theoretically and practically the Regulator exist to respond to people’s calls and concerns. That was being done to show that they are performing their official duties. Underneath that, they were just toothless and powerless’ (WaterOrg1, SeniorManager1).

Second, because of resistance or opposition from members of the public (Union1, Shop Steward1). A representative of the union observed:

‘They didn’t get tariff increase as was detailed in the contract because of resistance from the public’ (Union1, Shop Steward1).

Tariff increases (along with water delivery) was a key concern for members of the public (WaterOrg1, Director6; WaterOrg1, SeniorManager6; WaterOrg1, Employee4; Domestic Consumer2; Commercial Consumer2). Members of the public, and particularly civil society groups thought that privatisation might lead to tariff increases and have severe implications on Ghanaian poor residents (NGO2, Interviewwe1; Govt1, Director2; Domestic Consumer3). The following quotes underscore people’s concerns:

‘Civil society thought that it wasn’t an issue of bringing in the private sector because we were afraid that might lead to higher tariffs and therefore affect the poor’ (NGO2, Interviewee1).

‘This is a poor country so even though most areas don’t have water there were concerns about tariff increases’ (Govt1, Director2).

‘There was a feeling that privatisation would result in tariff increases. Water is life and in a poor nation like Ghana, if you take water away from people, it means you are sanctioning them to death. Though we needed help/improvements to meet the growing demands we were also concerned about the implications on people’ (Domestic Consumer3).

According to the regulator, the tariff increase was made after they had received inputs from the WaterOrg (WaterOrg1, Director5) regarding the cost of materials and then comparing with the economic indicators, and particularly the exchange rate. The officer commented as follows:

‘The PrivateCo didn’t have anything to do with the tariff. The Regulator approved the tariff. There was one major tariff increase but we collected information from the Ghana Water and synchronise it with the economic indicators such as the interest rate to set the tariff’ (Regulator, Director1).

The increase in the tariff led to benefits for the PrivateCo:

‘Tariff is regulated by the Regulator but the major part of it is that when PrivateCo came we had a major tariff increased which boosted revenue collection’ (WaterOrg1, SeniorManager4).

Reflecting on the issue an NGO respondent noted that the performance of the WaterOrg appeared to be dependent on tariff increases, an indication that they did not seem to have any credible plans of improving efficiency apart from tariff increases. The officer commented as follows:

‘If you look at the structure of their finances anytime they seem to have done well is when tariffs have gone up. It means that apart from tariff they don’t have any mechanism at reducing cost. That is why they always go for tariff increment’ (NGO2, Interviewee1).

**6.6.5. Payments not being credited to customer accounts**

A further issue arose in relation to the collection of payments. This was the issue of uncredited payments (or non-reflecting payments). When WaterOrg was responsible for water provision, revenue officers, and particularly meter readers, collected payments from customers during their field trips as part or full payment of water bills but these payments were not credited to the customers’ accounts. The practice culminated in a massive financial loss to the WaterOrg in the late 1990s and early 2000s, leading to the arrest of some employees (see Daily Graphic, 2003). Up until the time of the management contract, some issues related to non-reflecting payments had potentially not been resolved (Domestic Consumer1; Domestic Consumer9; WaterOrg1, Employee4). A manager of the WaterOrg commented:

‘I was also invited on several occasion to water association meetings on a range of issues including estimated bills and non-reflecting payments’ (WaterOrg1, Manager1).

Another respondent (a manager of the WaterOrg) also noted that non-reflecting payment was an important problem, but that management was doing its best to address the issue. Most research participants who were domestic and commercial consumers and employee of the WaterOrg noted that the PrivateCo had been able to address issues related to uncredited payments (Domestic Consumer1; Domestic Consumer9; WaterOrg1, Manager5; WaterOrg1, Employee4; Commercial Consumer1; Commercial Consumer2). This had been achieved, at least partly, through the computerisation of the payment system, since meter readers were no longer required to collect money from customers. A domestic consumer noted:

‘As far as I am aware meter readers no longer collect money from customers which is good because some customers have had payments not credited to their accounts before’ (Domestic Consumer9).

Another respondent, a commercial consumer who felt relieved by the fact that meter readers only distributed bills and no longer collected money had this to say:

‘I think meter readers were no longer collecting revenue like it was the case before privatisation. They only distribute bills, which I think is a good thing because some customers in the past had complained of non-reflecting payments’ (Commercial Consumer1).

An employee, a lower level officer of the WaterOrg sums up the PrivateCo’s efforts to improve the management system including measures to deal with non-reflecting payments in the following remarks:

‘It wasn’t a bad idea; it has changed the WaterOrg for good […] to the extent that meter readers no longer collect revenue. The WaterOrg has had problems in the past with payments collected by meter readers from customers, which were not credited to their accounts. But the PrivateCo were able to streamline revenue collection operations to make it easy to trace customers who were difficult to reach’ (WaterOrg1, Employee4).

Although there has been much debate regarding the extent to which privatisation can reduce corruption (Boubakri et al., 2013; Kolk, 2015), the finding above suggests that privatisation in the form of a management contract seemed to have reduced corruption at the WaterOrg.

**6.6.6. Inadequate water delivery**

With respect to water delivery, the majority of respondents across various groups of participants noted that Ghanaians were not satisfied with the performance of the WaterOrg prior to the management contract (NGO1, Interviewee1; Domestic Cosumer5; Commercial Consumer2; Union1, CEO1; WaterOrg1, SeniorManager5; WaterOrg1, Director1; WaterOrg1, Employee8; Govt3, Director1; NPO1, SeniorManager1). The main reason for public dissatisfaction with water delivery was the lack of accessibility or shortages of potable water (NGO1, Interviewee1; NPO1, SeniorManager1). It was revealed that customers in most parts of Accra, Ghana’s capital, and particularly those in poor neighbourhoods, had no access to water (Govt2, Director1; Commercial Consumer2; NGO2, Interviewee1). Only a few residential areas and communities close to the WaterOrg’s main distribution line had consistent water flow or supply (Domestic Consumer6). The phenomenon was also believed to be widespread across the country. In areas that had water it was revealed that the flow was irregular (Govt2, Director1; WaterOrg1, Director4; WaterOrg1, SeniorManager1; Domestic Consumer6). Commenting on the water situation, an NGO respondent noted:

‘Since the late 1990s and 2000s, the performance of the WaterOrg had not been satisfactory to the general public. It’s like all for sum; those who were living in residential areas had access than the rest of the country especially those living in slums didn’t have access even till now. To date, the flow of water is erratic so you don’t know when it’s going to come when it opens its deep at night’ (NGO2, Interviewwee1).

Another senior officer of a Non-Profit Organisation (NPO) that had been involved in conducting studies into the water situation in Ghana also explained:

‘Generally, there was an outcry and even now, people are complaining about the performance of the WaterOrg. Water accessibility is a major problem for most residents in Accra and other regional capitals in Ghana. The flow was erratic, once or twice a week so people were not satisfied. We conducted some studies about water and sanitation with other partners in Ghana so we were aware of what was going on radio, television as well as on newspapers’ (NPO1, SeniorManager1).

A customer of the WaterOrg who felt residents in poor neighbourhoods had to rely on alternative suppliers such as water vendors also commented:

‘If you live in an unplanned area, you have to find alternative means such as tanker service if you can afford. Because of that, customers were very angry and didn’t understand why WaterOrg the sole provider of water could not meet their needs. So people had high expectations that privatisation might improve the system’ (Commercial Consumer2).

A senior manager of the WaterOrg felt that the company was unable to meet customers demand due to certain limitations such as their inability to fix water tariffs. The members of the public, on the other hand, did not know about the company’s problems, and that was why they were complaining. This is how the officer commented on the issue:

‘In most areas customers are not satisfied but there are limitations because they demand constant supply but we can’t meet everybody’s needs. That is why we have rationing programmes and with that, the public cannot be satisfied. The public don’t know what really the problems are so they think the utility is inefficient and all that but it is not the fault of the utility. They are doing their best under the circumstances’ (WaterOrg1, Director1).

It could be argued that one of the limitations was due to the fact that the tariff was regulated by an independent utility regulatory body. As a result, the WaterOrg was unable to sell water at the cost reflecting the market / economic conditions. One reason why the water situation worsened was because the cities across the country including Accra expanded more than the existing water supply capacity in the WaterOrg (WaterOrg1, Manager3; Domestic Consumer3). This consequently put pressure on existing distribution networks, which arguably combined with the WaterOrg’s inability to extend lines, resulted in water shortages (WaterOrg1, Manager3). However, another respondent, a customer of the WaterOrg commented,

‘The public were very dissatisfied with the management due to lack of water and frequent complaints of pipe burst. Accra and surrounding towns are expanding fast yet most people don’t get water. They should have planned for it rather than living people in this nightmare’ (Domestic Consumer3).

Other respondents argued that the problems in water supply were caused by the high volume of water that could not be accounted for, known in the WaterOrg’s parlance as non-revenue water or water losses (WaterOrg1, Director2; WaterOrg1, HR1; WaterOrg1, SeniorManager1; Domestic Consumer9; Domestic Consumer4). The non-revenue water was attributed primarily to bursts in pipes and leakages due to old or over-aged pipes and illegal connections (WaterOrg1, Employee8; WaterOrg1, Director2; Domestic Consumer4; NGO2, Interviewee1). A senior officer of the WaterOrg acknowledged this weakness in the following remarks:

‘In terms of the demand side, we were losing around 50 percent of water through illegal connections sometimes due to meter readers colluding with customers, burst pipes, leakages due to over aged pipelines and so on. As a result, the public were not satisfied with the performance of the WaterOrg. Places like Adenta and Madina were not getting but there was nothing that we could do. Service delivery was okay just that because we were unable to meet the demand of the population, every time we had to ration’ (WaterOrg1, Director2).

Another senior manager of the WaterOrg reinforced this point as follows:

‘Public have been complaining of no water over a long period. We try our best based on what we have but the public don’t understand or know our operations. We get complaints of illegal connections, burst pipes and no water on a regular basis because some lines are old and we attend to them’ (WaterOrg1, Director5).

In contrast, some respondents, senior public officials attributed to water shortages in certain communities partly to the behaviours and attitudes of the residents (Regulator, Director1; Govt2, Director1; Govt3, Director1). Respondents within this category believed that some people built houses indiscriminately without consulting the appropriate authority, and particularly the WaterOrg, for advice on the water distribution system in the area. Commenting on the issues, one senior public official remarked:

‘The public always complain. There is always demand and supply gap so in essence whoever doesn’t get will not be a happy person. Public attitudes too need to change. People put up building anywhere and think that because they are sited there WaterOrg should supply them water forgetting that the utility has its own development plans. In some countries, you cannot put up a building without going to the local authority for advice and clearance but here people do what they want’ (Regulator, Director1).

Another senior official also highlighted:

‘Of course, people were dissatisfied. They needed the service badly and can’t get so they were dissatisfied. Also, Accra has expanded far beyond the existing production system. So complaint of no water has become a recurrent theme in the media. But the public are also partly to blame. People just put houses anywhere and expect the WaterOrg to provide water, whether lines can be extended to that place or not’ (Govt3, Director1).

It was anticipated that water delivery would improve post-privatization. However, most respondents believed that the water situation in the country did not improve after the management contract (NGO1, Interviewee1; Govt1, Director1; Union1, CEO1; WaterOrg1, SeiorManager2; NPO1, SeniorManager1; WaterOrg1, Employee4, Commercial Consumer2; Domestic Consumer9). There was also no preferential treatment for any particular group of consumers. Rather, service delivery was the same for each consumer, whether they were domestic or commercial/industrial (Govt2, Director1; Regulator, Director1; WaterOrg1, Manager6; WaterOrg1, Employee8; Domestic Consumer10). This was due to a number of reasons. First, the PrivateCo followed the same water-rationing programme instituted by the WaterOrg with the same distribution lines (WaterOrg1, SeniorManager1; WaterOrg1, SeniorManager2; Domestic Consumer1). Second, there was no expansion or extension of water distribution lines, primarily because the PrivateCo was not mandated under the terms of the contract to do expansions (Govt2, Director1; NGO1, Interviewee1; WaterOrg1, SeniorManager2; Domestic Consumer9). Third, non-revenue water or water losses were still high after the introduction of the management contract (NGO1, Interviewee1; Govt2, Director1; WaterOrg1, Director2). Fourth, the effectiveness of the implementation process, particularly with respect to water delivery, was hampered by the disagreements that the PrivateCo had with senior managers of the WaterOrg. The water supply after privatisation thus did not match expectations:

‘The government created the impression that after privatisation people would enjoy water supply 24 hours a day, on a consistent basis. Unfortunately, the situation after the privatisation didn't and hasn’t improved in any way only a few communities enjoyed water supply. [...] Even Weija where the dam that supplies water is located, communities around it didn’t get water. They are crying for help, they don’t have water. Meanwhile, the dam is close to them’ (Govt4, Director1).

‘As far as the public were concerned there was no benefits in the water situation. Everything was the same after the project and it’s even getting worse. It didn’t achieve anything, we still didn’t get water and continue to guess when it’s going to come sometimes deep at night’ (Commercial Consumer1).

‘Nothing changed they just followed the same rationing with the same distribution lines. Customers still didn't get water’ (WaterOrg1, SeniorManager1).

Due to the remaining problems in water supply, the use of boreholes as an alternative source of water supply had, in recent years become popular in Ghana (WaterOrg1, Employee4; Domestic Consumer6; Domestic Consumer9; NGO2, Interviewee1). As a result, members of the public, and particularly those who could afford it financially, had drilled boreholes in their houses for underground water in order not to rely on the WaterOrg and avoid the frustrations inherent in water delivery**.** An example of a borehole and a reservoir containing the underground water are showed in the photographs below.

Figure 6.5. The borehole in front of a house Figure 6.6. A reservoir containing borehole (underground) water



Source: Author’s Fieldwork, 2014

An employee, a low-level officer of the WaterOrg noted this point when commenting on the water situation.

‘In certain parts of Accra particularly unplanned areas, they didn’t and still don’t get water at all. Some people are even drilling boreholes and putting tanks on top of their houses so they don’t have to rely on WaterOrg again’ (WaterOrg1, Employee4).

A customer of the WaterOrg also emphasised:

‘The water situation didn’t change. Everybody in this area now gets water once a week on Wednesdays. We buy water to supplement whatever we get from WaterOrg. See how many water cans are around. Some people, particularly those who have money, are now drilling boreholes for underground water and don’t want to rely on WaterOrg. If I have money I will do the same’ (Domestic Consumer6).

Commenting further a senior representative of an NGO noted:

‘All of us were complaining to the extent that some industries developed their own systems, others drilled boreholes. Some people are at the moment using the WaterOrg system as a backup. If we have a well-functioning system this shouldn’t be happening’ (NGO2, Interviewee1).

Who were the main beneficiaries of Ghana water privatisation?Interestingly, some respondents mentioned the PrivateCo and government officials as being the main beneficiaries (WaterOrg1, Employee1; WaterOrg1, SeniorManager1; Domestic Consumer2; Govt1, Director1). An employee of the WaterOrg felt that the PrivateCo only came to collect money from customers and did not do anything to improve the water supply situation (WaterOrg1 Employee1). The officer noted:

‘Water supply was the same whether domestic or commercial. They didn’t extend the lines they only collected money so nobody benefited apart from the PrivateCo and their associates may be those who signed the contract’ (WaterOrg1, Employee1).

Another respondent, a customer of the WaterOrg also felt that Ghanaians were cheated because there were no improvements in the water supply system (Domestic Consumer9). Yet, the PrivateCo collected a lot of money from Ghanaians and had subsequently left the precarious scene. The customer commented:

‘Only the PrivateCo and some corrupt public officials benefited from the project. The PrivateCo have made money pretty quickly, left the scene while Ghanaians are struggling to get water. The public have been cheated’ (Domestic Consumer9).

Others also made reference to private contractors. Again, there were those who referred to both the WaterOrg and the PrivateCo as being the main beneficiaries. Thus, whereas some respondents claimed that the WaterOrg benefited from systems improvement others also thought that the PrivateCo benefitted financially.

**6.6.6.1. Pro-poor project of water delivery**

Although generally water delivery did not improve, there were some areas where residents received better water delivery. During the implementation process, the PrivateCo embarked on a water supply initiative known as the pro-poor project (WaterOrg1, SeniorManager2; WaterOrg1, Manager2; WaterOrg1, Director2; WaterOrg1, Employee6; Domestic Consumer1). The main purpose of the pro-poor project was to make water supply accessible in distressed areas at affordable rates. This culminated in the installation of standpipes and big water tankers or reservoirs in some deprived communities. The provision of accessible water to the needy had not been possible under the management of the WaterOrg (WaterOrg1, SeniorManager2).

A domestic consumer of the WaterOrg noted that the pro-poor project was very useful because people in communities that benefited no longer relied on water vendors (Domestic Consumer1). They, therefore, did not need to buy water at rates that were potentially far higher than those charged by the WaterOrg. Another domestic consumer felt that the pro-poor project had been beneficial to members of his/her community because the delivery of water supply had improved to at least once a week. In addition, residents had been relieved of financial pressure since they were no longer required to pay water vendors’ higher rates. The customer commented:

‘Water is a big problem in this community so most residents relied on water vendors at expensive rates. The PrivateCo installed some standpipes here to ease the pressure on the residents. Since then at least once every week residents in this area get water from rationing’ (Domestic Consumer8).

What were the reasons for the pro-poor project? A manager of the WaterOrg suggested that the pro-poor project was an indication that the PrivateCo was concerned about the water supply situation in the country, and particularly the plight of the people in poor communities. The officer commented:

‘They (PrivateCo) also installed a big water reservoir in some poor and water stressed suburbs to help them to get water at an affordable rate. They [PrivateCo] really care about the customers particularly the poor ones’ (WaterOrg1, Manager3).

A member of WaterOrg’s management team, on the other hand, observed that the pro-poor initiative was not part of the management contract implementation plans. However, having been confronted with the realities of water supply in Ghana, the PrivateCo decided to do something and consequently used their influence and connections in Holland to solicit funding from some NGOs to undertake the project. The officer explained:

‘The PrivateCo embarked on a pro-poor project where they got some funding from some NGOs in Holland and installed poly-tanks and standpipes in areas where water was distressed. It wasn’t even part of the original plan but they felt they had to do something’ (WaterOrg1, Director2).

In summary, this section reveals that meter installation became an integral part of the PrivateCo’s quest to address some of the inefficiencies in water delivery particularly water losses or water that could not be accounted for. Civil society members, on the other hand, perceived meter installation, and particularly pre-paid meters, as a revenue mobilisation strategy. They felt that the pre-paid meters was incompatible with the Ghanaian ways of lives and campaigned against it. The section also reveals that more payment outlets including the use of mobile phones, banks, and internet were set up by the PrivateCo to make it easy for customers to pay their water bills. The PrivateCo set up the call centres primarily to improve relations between the WaterOrg and its customers. Consequently, customer complaints and faults were attended to on time. However, some respondents felt that the call centres were not the immediate services that people expected from the management contract. Rather, they were more interested in getting water. The section further reveals that tariffs increased soon after the project took off. The rate of increase, however, was implemented by tariffs authorising body the regulator. The PrivateCo was able to put measures in place to address the problems connected with uncredited payments**.**

With respect to water delivery, the findings reveal that many Ghanaian members of the public were dissatisfied with the water delivery system prior to the management contract. Public dissatisfaction was caused by the fact that the majority of people, and particularly those in poor neighbourhoods, had no access to water. In places where water was flowing, it was revealed that the flow was irregular. Water accessibility was difficult for most people because non-revenue water or water losses caused by pipe burst and illegal connections were high. As a result, people hoped that the water delivery services would improve after the management contract. However, after the management contract, the water supply situation did not improve, primarily because water that could not be accounted for (water losses) was still high. Also, the water delivery system was hampered by the disagreements between the PrivateCo and officials of the WaterOrg. In addition, the PrivateCo was not mandated under the terms of the contract to expand the water distribution system. Some respondents in water-distressed areas benefited from the pro-poor project initiated by the PrivateCo. Consequently, water accessibility improved for some customers due to the installation of public standpipes. The continued water shortages have led to the development of boreholes - a form of underground water - as an alternative source of water supply, particularly for those who can afford it- in order not to rely on the supply from the WaterOrg. But this solution was not feasible for those on a low income.

**Chapter Seven**

**Discussion of Research Findings**

**Introduction**

In the previous chapter, key research findings were presented against the background of the research objectives and questions. As stated in chapter one (1.4), the main aim of this research was to explore and critically evaluate the impact of Ghanaian water privatisation on various stakeholders, and particularly on consumers and employees of the WaterOrg. This objective was set against the growing debates in the management literature discussed in chapter two regarding how new public management reforms pioneered in developed economies impact on the emerging economies of the Sub-Saharan Africa region, and particularly in Ghana. Some scholars of public sector reforms, and particularly proponents of public choice theory (PCT), and new public management reforms assumed that the problems inherent in public sector management were similar irrespective of the context – developed or developing country – and could be tackled by the use and application of private sector management practices (Niskanen, 1968, 1973; Tullock, 1965, 1976; Jackson, 1982; Aidan and Lawton, 1999; Tullock et al., 2000; Hope, 2002; Maclean, 2011). On the other hand, others cautioned against wholesale transferability of management models on the grounds that management systems, the social structure, culture and the political systems were different from those found in the developed economies (Schick, 1998; Lane, 1997, 2000; Hope, 2002; Jackson, 2003; Vining and Weimer, 2005; Ferlie et al., 2005). It was in the midst of this confusion and/or lack of clarity regarding the effective ways of managing the public sector in emerging economies that this study aimed to contribute to the literature and policy debates by examining the impact of water privatisation on various stakeholders in Ghana.

The findings indicated that although there were some similarities in the pre-existing public sector, the form of privatisation used, the way in which privatisation was implemented, and the impacts on the various stakeholders, it was also apparent that different issues underpinned public sector management in Ghana generally and the performance of the Ghana WaterOrg in particular. For example, in Ghana, there was apparent over-dependence on donor agencies such as the World Bank for project funding, meaning that this institution had leverage over how privatisation was undertaken in Ghana. Moreover, the findings revealed that there were intended as well as unintended consequences of water privatisation in Ghana. This discussion chapter therefore critically reflects on the research findings against the background of the research objectives and key theoretical debates underpinning the research.

The chapter is organised around six main themes**:** 1‘partnerships, opportunism and conflicting priorities’, 2‘levels and nature of communication and consultation’, 3‘beneficiaries of privatisation’, 4‘multiple stakeholder impact evaluation’, 5‘NPM reforms in Ghana: political interference, corruption and socio-cultural issues’, and 6‘privatisation in a developing country’. The themes were developed based on empirical findings generated from this study against the backdrop of key theoretical assumptions and debates underpinning new public management reforms generally, and privatisation and public-private partnerships in particular. The themes, nevertheless, have been specifically developed to highlight the contributions of this study to knowledge and extend understanding across the various interlinked strands of literature in the subject area. The themes are discussed in turn below.

**7.1. Partnerships, opportunism, and conflicting priorities**

One of the objectives of partnerships is to ensure there are mutually beneficial gains (Zhang and Jia, 2010; World Bank, 2014). The design of contracts needs to recognise and address all the core areas or issues underpinning the partnership, including the use and management of resources, in order to prevent opportunistic behaviours (Scharpt, 1997; McQuaid, 2000; Huxham and Vangen, 2000; Klijn and Teisman, 2000; Tomlinson, 2005; Gomes et al., 2013). However, evidence from this study suggests that there were design weaknesses on issues connected to the management of the revenue collection account. One of the reasons for the weaknesses may have been because the contract design had little or no input or involvement from people with the non-engineering background. Yet, the effective design requires special skills and competencies (Vermeulen and Barkema, 2001; see also Huxham and Vangen, 2000; Beck and Plowman, 2013). Apart from the government and the World Bank officials who were instrumental in designing the project, in the WaterOrg, only the engineers were nominated to advise on the project. The voice of commercial/revenue officers was not heard, yet, they probably could have provided valuable information on revenue mobilisation which was PrivateCo’s core mandate under the management contract (see Government of Ghana, 2005).

A key problem in the contract was the stipulation that PrivateCo was responsible for revenue collection, but after collecting revenue they were expected to use part for their operations and return the surplus to the WaterOrg. The implication of the arrangement was that if at any point in time the PrivateCo claimed that there was no surplus revenue it meant that the WaterOrg could not function properly. In other words, the operation of the WaterOrg was contingent on efficient revenue mobilisation by the PrivateCo. This arrangement was no doubt difficult for the WaterOrg officials and probably led to the numerous accusations against the PrivateCo. One of the WaterOrg concerns was that money from the revenue collection account was being used inappropriately by PrivateCo, such as for the payment of some seconded staff who should instead have been paid directly from the PrivateCo’s project fund. Although it has been argued that privatisation is often associated with non-compliance over contractual agreements (Davis (2004), in this case, the disagreement was caused by contractual design weaknesses. The resulting disagreements impacted on the efficient operation of the partnership process as there was an apparent lack of clarity regarding who was responsible for repairs, the WaterOrg or the PrivateCo. It was in the interests of both parties that the other was responsible for repairs. Both parties though agreed to the terms of the management contract before it became official (WaterOrg1, Director3). This lack of clarity may have been because the government lacked people with professional and technical knowledge who would identify potential weaknesses in the contract. If this was the case, it may be a sign that there are capacity issues in project implementation at a governmental level which may reinforce the literature claim that Ghana lacks people with technical capacities in public management (see Dzorgbo, 2001; Amoah, 2014). The weaknesses in the contract nevertheless, may also possibly explain why the contract document was not made available to some stakeholders including senior managers of the WaterOrg and members of the Ghanaian public.

**7.2. Levels and nature of communication and consultation**

Existing literature suggests that all-inclusive and continuous consultation and communication during the privatisation process is vital to the partnership performance (Weber and Fried, 2011; Gomes et al., 2013; Angwin et al., 2014). In my findings, although the voices of stakeholders were sought, there were variations in the extent to which they were consulted. The findings suggest that the voice of service users and in particular, the most vulnerable in society was sought mainly through forums, seminars, and workshops, an indication that there were attempts to involve users through a range of mechanisms. It has been argued elsewhere that involvement of service users should include both consultative and more deliberative mechanisms (Dibben and Bartlett, 2001; Lowndes and Sullivan, 2004; Cole, 2004; Dibben, 2006). In this case study, however, some service users were merely consulted while others particularly opinion and civil society groups’ leaders were involved in the management contract negotiations.

Yet, even though users were consulted, and indeed, provided advice on alternatives that could be considered including NGOs and community ownership, their voice did not appear to be taken into account. One of the reasons for this may have been that many service users in Ghana were illiterate. Indeed, a published report by the Ghana Statistical Service estimated that in 2000, about 45.9 percent of adults (15 years and older) were illiterate (Ghana Statistical Service, 2012). In 2006, it was estimated that 31 percent of all adults in Ghana had never been to school while almost 40 percent of adults in rural areas were also illiterate (Ghana Statistical Service, 2008). The illiteracy rate though was thought to have dropped to almost 28.5 percent by 2010 (Ghana Statistical Service, 2012). This may have impacted on the way in which they were able to receive information as well as their ability to voice their concerns. As a result, the voices of the most vulnerable members of the Ghanaian society were marginalised during the privatisation discussions (Mackintosh, 1998; Dibben et al., 2004; Dibben, 2006). The reasons for the marginalisation of service users in the Ghana water privatisation is consistent with existing literature on consultation (see Dibben, 2006; Whitfield, 2006; Mooney and Poole, 2005; Cabral and Aliño, 2011; Schilling-Vacaflor, 2014). For instance, Dibben (2006), in examining user involvement in the UK attributed the cause of marginalisation in decision making to a range of factors including the lack of education and training. However, in Ghana, the fact that many people were illiterate would have exacerbated this situation.

It was also apparent during the process of consultation that service users perceived that once the decision to privatise the WaterOrg was made by the government, ordinary members of Ghanaian society would have less influence over the project. Pimbert and Wakefield (2001) have argued that sometimes the advice given by ordinary members of society can be ignored by the government or those in authority if the service users concerned were presumed to be sending the ‘wrong message’ to the rest of society. This may well be the case in Ghana, particularly given the fact that members of society protested after their advice for possible alternatives were ignored by the government.

The concept of participatory governance has often been applied to developing countries and has been a requirement for NGOs. It implies that citizens should be actively involved in the decision-making process, particularly in key political decisions that can impact their lives (Fung and Wright, 2003). Indeed, Fung and Wright argue that for participation to be fair and effective, efforts should not only focus on how attractive projects are designed but also more avenues for deliberations and countervailing groups to address power imbalances (Fung and Wright, 2003: 270). Yet this participative process relies on existing structures and institutions. Similarly, Gaventa (2006) has argued that the structures of the state and democratic arrangements need to be expanded and made accessible to every citizen in order that effective participation can take place. Simply assuming that effective participation will take place is not enough. Further to this, and perhaps more generally, Wampler and McNulty (2011) posit that a vibrant civil society should be created as part of the democratic structures to serve as an anchor for deliberation and mobilising members of the public to participate in policy-making processes. The marginalisation of the voice of service users in Ghana may be a reflection of how power is distributed within the Ghanaian society and reinforces why some commentators have labelled Ghana a power distance society (Tsamenyi and Mills, 2003; Aryee, 2004; Ohemeng, 2010).

Given the lack of an existing participative framework and the culture within Ghanaian society, it might have been expected that service users would accept that they would not have a say in decision-making. However, the findings presented here reveal that users did not accept the lack of exclusion as something that they had no control over. Instead, they perceived water privatisation as something which could have serious implications on the majority of Ghanaian poor residents and decided to use whatever means possible to have their voice represented on the privatisation project. This culminated in a series of demonstrations and protests organised against the government that incidentally resulted in the loss of innocent lives (Darko, 2010). It has been argued in the literature (see, for example, Dodd, 2005), that privatisation has led to increased consumerism, and improved information flows to service users regarding policies and service provision to enable them to make choices and influence service delivery (Sanderson, 2001). This was not the case in Ghana. Instead, service users used forms of protest to champion and defend the interest of Ghanaian members of the public, and in particular the poor (see Waterman, 2001; Kolk, 2015).

The findings also suggest that members of the public who were consulted and became actively involved consisted primarily of opinion leaders and highly educated people. This revelation is not a phenomenon that is new to this research. On the contrary, the practice is arguably a typical characteristic of elitism or elite mentality that has been associated with public management and development discourse in Ghana since colonial times (see Akuoko-Frimpong, 1994; Woode, 1997). Indeed, the theory of social elites argues that colonial institutions such as education and training systems helped the indigenous beneficiaries to establish their power base as a dominant and ruling class that has subsequently sought to perpetuate such practices (Bourdieu, 1979). The consequence of elitism is that the views and opinions of intended beneficiaries of public policy are not incorporated into the design and implementation process (see Akuoko-Frimpong, 1994; Ghana-Vision 2020, 1995). This perhaps created ownership problems and explains users’ reactions in relation to the performance of the management contract between the WaterOrg and the PrivateCo. There is no doubt that people who are well educated and technically skilful can contribute immensely to policy discussions. It is also a truism to say that other people have intuitive knowledge that can be tapped to enhance project development. Indeed, empirical evidence suggests that the perception or practice of elitism has impacted negatively on Ghana’s development progress (Woode, 1997). Yet this study suggests that it is still a powerful force in public management that needs to be properly engaged with. Lack of consultation and or limited consultation avenues for service users thus seems to be one of the development dilemmas facing policymakers in Ghana and is perhaps an area where further research might be needed.

With regard to employee consultation and involvement, the findings suggest that this occurred at two different levels: at the senior management level and at the junior staff level, with the latter represented by the union. These forms of employee involvement echo the existing classification of employee involvement into direct and indirect/representative participation (Webster et al., 2006; Wilkinson et al., 2007, 2013). In Ghana water privatisation both forms appeared to have been used. Whereas low-level officers had indirect representation through their union, senior management officers seemed to be directly involved. Wilkinson et al. (2007) also posit that employee involvement aims to improve understanding and elicit commitment but does not necessarily mean power and authority sharing. This seemed to have been the case for WaterOrg employees. The findings suggest that employee involvement in both senior and junior staff level was not continuous throughout the management contract implementation process. The union, for instance, was less involved in the early stages of the discussions. Senior management involvement was also curtailed at some point during the contractual design and their access to the contract document was removed. Employee consultation, particularly at the senior management level, was stopped because of the disagreements they had with the government and the World Bank over certain contractual clauses. The primary reason for the disagreements was because the WaterOrg officials did not want the PrivateCo to have control over the revenue collection account. The WaterOrg officials felt that the PrivateCo was not contracted to undertake any expansion of the water distribution network. Instead, the responsibility for any expansion was to remain with WaterOrg. The position taken by the WaterOrg is understandable because there is no doubt that their operations would have been difficult without any control over the revenue collection account, which probably was their main source of income. The disagreements and the subsequent curtailment of senior managers involvement nevertheless, suggests that crucial information that could have been provided by the WaterOrg’s senior managers in the pre-contractual design phase was missed or at best ‘second-guessed’ by the project managers. In spite of the literature claim that continuous communication and consultation is essential to elicit trust and commitment from employees (Napier, 1989; Nikandrou et al., 2000), employee consultation during water privatisation in Ghana was not continuous. Instead, it occurred at certain moments or stages during the implementation. This finding thus reinforces Angwin et al. (2014) claim that in most partnerships in Nigeria (West Africa), the voices of employees were marginalised. In Ghana water privatisation, marginalisation of employees increased their anxiety over the project and led to the adoption of some strategies by the union such as intercepting emails and other messages from the World Bank and the government to the WaterOrg senior managers. It also aroused their suspicion and heightened tensions and disagreements that became symbolised with the management contract implementation process.

The finding revealed that senior executive of the union was consulted and consequently became a member of the privatisation advisory committee. The union, however, became actively involved in the privatization discussions after the set-up of the Water Sector Restructuring Secretariat in 1997. From then on, the union had a lot of formal discussions with WaterOrg senior management, members of parliament and communicated the outcomes to employees on a regular basis. The union involvement at the highest level enabled employee access to valuable information particularly on conditions of service for the retaining staff and severance payments for those who were to be laid off. During the implementation process, the union provided valuable support to employees on disciplinary matters. When the PrivateCo promoted junior commercial/revenue officers with improved conditions above their senior colleagues (engineers) the union also intervened on the grounds that the approach was discriminatory on one hand, and was not in the negotiated agreement on the other hand. This finding echoes (Wood et al., 2011) claim that the role played by labour unions influences the way in which HRM practices are implemented in Africa (see also Wood and Glaister, 2008; Xing et al., 2014). The literature also suggests that unions provide valuable support to employees in difficult times (Budd and Mumford, 2004; Burchell and Ladipo et al., 2005; Bennett and Kaufman, 2011) particularly during restructuring (Bacon and Blyton, 2004; Ruigrok and van Tulder, 2013). Evidence from this research suggests that the union protected employees’ interest during water privatisation in Ghana. Due to union involvement, employees felt comfortable particularly on information flow, job security and disciplinary matters (WaterOrg1, SeniorManager2; WaterOrg1, Employee4). Some studies also suggest that unions’ weaknesses lead to exploitation of workers, particularly in tropical Africa (Webster et al., 2006a; 2006b). In addition, it has been argued elsewhere that unions tend to be constituted around people with specific skills and issues (see Brookes et al., 2004; Milkman, 2013; Pontusson, 2013). However, this does not appear to have been the case during water privatisation in Ghana.

Apart from the union, lower level employees also had regular formal meetings with their managers which they felt were quite good, reassuring and trustworthy (see Angwin, 2000; Weber et al., 2014) because the information came from their own managers. However, not all employees felt the same. This was because some of them, and particularly commercial/revenue officers were not treated in the same way as engineers. The employees from WaterOrg senior management who were nominated to advise on the project consisted primarily of engineers. Although, it has been argued elsewhere that collective voice enables issues arising from changes in working conditions to be resolved easily (Webster et al., 2006c) there was no input from the commercial/revenue department. As a result, those who felt that their conditions of service would improve under the management of the PrivateCo were very much in favour of the management contract and vice versa. It is fair therefore to say that within the WaterOrg, some employees were marginalised. In effect, the pre-partnership discussions that could have constituted the basis of subsequent decision making (Aguilera and Dencker, 2004; Vaara and Monin, 2010) and influence the outcome of the project had serious challenges.

The findings also suggest that institutions and government departments that worked closely with the WaterOrg were consulted and provided advice on certain aspects of the management contract. As would be expected, the Regulator, in particular, was actively involved throughout the management contract implementation process and was fully responsible for fixing water tariffs and addressing customer complaints. Some such as Govt1 and Govt3 also provided advice on possible forms of privatisation that would be suitable for Ghana.

What is perhaps remarkable about stakeholders’ consultation and involvement is that none of them appeared to have any significant impact on the project apart from the World Bank and the government. This is quite understandable given the fact that funding for the project came from the World Bank. The government also had the mandate from the people to implement its policies and privatisation was one of such policies. What is remarkable though from the perspective of the government is that apart from privatisation with a supposedly ‘free project fund’ coming from the World Bank (Govt1, Director1), they did not seem to have any credible plan(s) for raising revenue to improve the water sector in Ghana. This may explain why the government did not want the opportunity for quick privatisation to slip away. It also explains why some respondents felt that the government did not have much control over the project. Thus, in spite of the assurances from the government to the people of Ghana that privatisation would lead to improvement in water delivery, they did not have authority over key funding decisions. This may have impacted on the government’s ability to influence the privatisation decision making particularly on how the project fund was administered. It is important nevertheless to emphasise that the decision to privatise the WaterOrg was made by the government which reinforces the literature claim that politicians are the principal architects of public sector reforms, guided by the ideology of their political parties (Harris and Seldon, 1987; Farnham and Horton, 1993; Halligan, 1997; Lane, 2000; Jackson, 2003). The role played by the government during the water privatisation in Ghana, therefore, should not be underestimated. However, since there was World Bank funding, this came with conditions (Government of Ghana, 2005). This might have given the World Bank some leverage over the government. The World Bank was actively involved in many critical decisions such as recruiting international consultants to advise on the project, educating members of the Ghanaian public, designing the project and selecting the ultimate winner of the bid. It has previously been suggested that World Bank involvement leads to the introduction of western management policies in Africa without due consideration to the local context (Kiggundu, 1991). This appeared to be the case during water privatisation in Ghana. The involvement of the World Bank, IMF, and others in funding development projects has also been linked to an increasing debt and development crisis in developing economies such as Ghana (Hanlon, 2000, 2004; De Renzio and Hanlon, 2007). Since the management contract had design weaknesses, did not achieve the intended objective partly because the PrivateCo’s management team were inexperienced, and the World Bank was actively involved in both design and selection, the claim relating to a development crisis could, at least to some extent, be justified.

The other factor affecting consultation was the involvement of internal interest groups such as WaterOrg engineers. A public choice theory (PCT) assumption is that most public services are organised by special interest groups internally to the detriment of the citizens (Buchanan and Tullock, 1962; Tullock, 1976; Maclean, 2011). In this case, the interested parties affected were both senior managers mostly engineers and junior commercial/revenue officers of the WaterOrg as well as members of the Ghanaian general public. For instance, whereas the commercial/revenue officers were not given the opportunity to advise on the project, the involvement of senior managers who were advising on the project was also curtailed.

**7.3. Beneficiaries of privatisation**

Evidence from the literature suggests that there are contrasting perspectives on the outcome of privatisation for service users and employees (Alcázar et al., 2000; Linder, 2000; Bayliss, 2002; Budds and McGranahan, 2003; Parker, 2003; Bond, 2004; Kirkpatrick et al., 2004; Ogden and Anderson, 2007). Bayliss (2002) argues that water quality improved after privatisation in Guinea in the Sub Saharan Africa. However, Kirkpatrick et al. (2004) argue that customers become worse off after privatisation because efforts to improve customer service or care are aimed at extracting more money from them. Alcázar et al. (2000) further observe that privatised companies are unresponsive to customer complaints. These are highly contested issues in the context of water privatisation in Ghana. Evidence from this study suggests that the outcome for service users and employees of the WaterOrg was positive in some areas but negative in other areas.

**7.3.1. Impacts on service users**

In terms of the service users, there were improvements in the process of bill payment and complaint reporting through the set-up of a call centre. Water accessibility also improved for some consumers in water-distressed areas, however, for the majority of Ghanaian members of the public there was no improvement. In addition, there were tariff increases after privatisation. The findings suggest that many pay points including the use of the internet, mobile phones and the banks were set up under the management of the PrivateCo. This enabled consumers not only to have choices, but it also made it easy for them to pay their water bills without needing to waste time and resources by making payments at the WaterOrg offices. The numerous payment options also eased concerns customers had in relation to non-reflecting payments - money which they paid to the revenue officers particularly meter readers - but were not credited to their accounts. This finding thus reinforces previous empirical evidence that customer service improvement strategies after water privatisation were aimed at collecting more revenue from customers (Kirkpatrick et al., 2004).

The findings also suggest that the establishment of the call centres improved interaction between the WaterOrg and its customers. The call centres enabled customers to report complaints easily. As a result, faults and leakages were addressed on time and subsequently reduced unaccounted for water or water losses. Contrary to previous empirical evidence that has suggested that customer complaints can worsen after privatisation (Alcázar et al., 2000), the situation was quite the opposite in the case of water privatization in Ghana.

The findings further suggest that water accessibility improved for some consumers in water-distressed areas. In particular, improvements resulted from the water accessibility project initiated by PrivateCo and known as the pro-poor project. Evidence from the study suggests that the pro-poor project did not form part of PrivateCo’s original mandate under the contractual agreement. However, when they confronted the water supply system on the ground, they became increasingly concerned about the plight of residents in some poor communities and decided to help. The pro-poor project culminated in the installation of standpipes and big water reservoirs in some poor neighborhoods to guarantee the residents access to water depending on the flow situation in the area. As a consequence of the initiative, customers in those communities were excited because they were guaranteed water supply at least once a week. In effect, customers who were until that time buying water from water vendors at the rate far higher than what was being charged by the WaterOrg no longer needed to do so (see also Vidal, 2015). Instead, they were saving some money. There is the greater likelihood that if the initiative had been pursued much earlier by the WaterOrg officials, considering the fact that they were the sole provider of potable water in Ghana the water situation might have improved for most residents. The pro-poor initiative in effect is a demonstration of PrivateCo’s desire and determination to improve the water supply situation particularly for some poor communities in the study area. The finding above suggests that customers in the water distressed areas were likely to see the outcome of water privatisation differently.

However, in terms of the actual water delivery to the vast majority of Ghanaians, there was little or no improvement. The findings suggest that there was no system expansion or extension of the water distribution network. Even though according to the contract PrivateCo was not responsible for extending the water distribution network, they were nevertheless responsible for managing inefficiencies such as by instituting measures to reduce water losses or non-revenue water (NRW) caused by leakages and bursts (see Government of Ghana, 2005). It might be assumed that if the PrivateCo was able to address the water distribution problems, access to customers would improve (WaterOrg1, Director3). At the end of the contract in 2011 however, NRW was still high and estimated to be around 54 percent of actual water production compared to the pre-contractual figure of 55 percent. Although it was anticipated that water delivery would improve (post-privatization access to water), this did not improve for most consumers or industrial customers. The lack of access is consistent with existing empirical evidence which shows that water privatisation does not improve water delivery outcome for service users (Budds and McGranahan, 2003; Balance and Trémolet, 2005). The situation in Ghana is no different; although public expectation for improvement was very high the outcome was nevertheless very disappointing for the vast majority of service users. This finding thus raises serious doubts about some of the assumptions inherent in the PCT, especially the claim that public institutions struggle to produce a sufficient quantity of goods and services to meet increasing public needs and hence the private sector should be involved in public management (Wolf, 1976; Tullock, 1976; Buchanan, 1978). Evidence from this research suggests that the view or assumption that private institutions will be able to address public concerns was overstated (Wolf, 1976; Tullock, 1976; Buchanan, 1978). Access to water did not improve for most consumers because of the disagreements that PrivateCo had with the WaterOrg senior managers on a range of issues, including the use and management of the revenue collection account discussed earlier. It was also because the PrivateCo management team lacked people with technical skills and knowledge of water operations and distribution. Instead, they depended on the WaterOrg for technical advice and subsequently ended up following the same rationing and distribution programmes instituted by the WaterOrg. This is quite surprising from the perspective of the PrivateCo because privatisation is inspired by the claim that private companies have better technologies, equipment and a large portfolio of capital to manage public water services effectively and efficiently (Agyeman, 2007; see also K'Akumu, 2006). In effect, the above suggests that there is a stark contrast between having the latest technology, equipment and funds and then being able to apply it to the local context to improve performance. In the case of the WaterOrg officials, the fact that they were deemed to be inefficient (Dapaah, 1990; Dumoga, 1997; Agyeman, 2007; Fuest and Haffner, 2007) but entrusted to provide technical advice to the PrivateCo by the contract designers suggests that the main cause of the WaterOrg performance problem was over exaggerated or beyond their control. The lack of water accessibility since privatisation has led consumers to search for alternative sources of water. Consequently, the use of boreholes - a way of extracting underground water - has become very popular among the majority of Ghanaian residents. The problem with the boreholes though is that it is not feasible for the vast majority of Ghanaian poor residents due to the cost involved. The popularity of the boreholes thus highlights the scale of the water supply problems in Ghana after the management contract. It also underlines why the government probably should have broadened the scope of the consultation process and listened to advise for possible alternatives that might be suitable for Ghana other than privatisation in the form of a management contract.

A further consideration for water users is the price of water. The findings suggest that there were tariff increases as a result of the implementation of the management contract. However, this may not have been the decision of PrivateCo. The rate of increase was decided upon by the tariff authorising body, the regulator. The government nevertheless, had some influence over the rate that was granted and did not allow high tariff increases because of the concern that it might have serious electoral implications. For example, there was the feeling that the public might use high increases in tariffs as a pretext to vote against the government in the next general election. This finding reinforces Noll et al.’s (2000) claim that governments influence water pricing for political purposes in developing countries (see also Budds and McGranahan, 2003; Kirkpatrick et al., 2006). The government influence over tariffs fixing thus demonstrates the regulator’s lack of power and authority in making the ultimate decision on how much increase can be granted. It also shows the extent to which water management has been used as a powerful political tool in Ghana. Although PrivateCo had nothing to do with the increases, nevertheless, the increase in tariffs reinforces the observation that water privatisation leads to increases in water rates or tariffs (Bayliss, 2002; IRIN, 2003, 2005; Bond, 2004; Prasad, 2006; Bond and Dugard, 2008). In Ghana, in spite of the concerns that members of the public had over tariffs from the onset of the privatisation discussions, tariff increases became a reality. Moreover, the increases were sometimes announced without due notification to Ghanaian members of the public.

**7.3.2. Impacts on employees**

In terms of employees, although existing literature suggests that employees become worse off particularly in terms of pay after privatisation (Bayliss, 2002; Bond, 2004; Prasad, 2006) in this study, working conditions including pay, training, promotions and working environment seem to have improved under the management of the PrivateCo. The rate of pay increase, for example, was thought to be unprecedented in the history of the WaterOrg. This suggests that under the management of the WaterOrg pay increases was woefully inadequate and might have been demoralising for the employees. The question then is ‘Why were they having minor pay increases? One possible explanation is that the pay increase was probably a reflection of their collective output given the fact that the privatisation resulted from the WaterOrg worsening financial position (Nii Consult, 2003; GWCL, 2004). It may also be due to the fact the design of the previous pay structure did not place emphasis on the value/importance of individuals or corporate productivity. This was quite a plausible explanation since the pay structure of the WaterOrg was linked to individual experience and qualifications other than individuals or corporate output/productivity. In effect, irrespective of whether the WaterOrg performance was good or bad employees were being paid on the basis of their qualifications and experience. The findings also suggest that those who benefited from pay increase under PrivateCo’s management were commercial/revenue officers. They were nevertheless considered to be juniors according to the WaterOrg organisational structure. The literature suggests that privatisation can result in a substantial increase in the number of senior management positions within the public sector, with associated remuneration (Ackroyd et al., 2007; Bach and Givan, 2013). It has also been argued that privatisation can lead to a reduction in employees pay (Zuberi, 2011; [Hermann](http://eid.sagepub.com/search?author1=Christoph+Hermann&sortspec=date&submit=Submit) and [Flecker,](http://scholar.google.com/scholar?q=%22author%3AFlecker%20author%3AJ.%22) 2011; Bach and Stroleny, 2013; Melly and Puhani, 2013) and in particular for low-level workers (Peters, 2012; Schmitt, 2014; Vrangbæk et al., 2015). Evidence from this research does suggest that this was the case - but only for some employees. In Ghana, following privatisation, junior officers were promoted with comparable remuneration above their senior colleagues. These employees had a pay rise for two main reasons. First, they were deemed to be least motivated in spite of the fact that they were responsible for revenue mobilisation that was needed to keep the WaterOrg well-functioning. Second, and following from the above, their role - frequent interactions with consumers - was seen as symbolising an important link between the WaterOrg and its consumers. It could be asked why the commercial/revenue officers were not motivated? One of the explanations could be that their under-representation and lack of voice at top management level, given the fact that the WaterOrg was an institution where engineers were dominant. The PrivateCo management approach whereby junior officers were promoted with good pay above their senior counterparts within the same institution was, however, divisive. This echoes, to some extent, the observation that private company management practices can undermine trust and create divisions in society (Halligan, 1997; Lane, 2000; Bovaird and Loffler, 2003). Gomes et al. (2015a) have argued that there is a strong link between employee perceptions of justice and organisational commitment, which consequently impact on partnership performance outcomes. In this study, a sense of injustice was felt by some senior officers of the WaterOrg, caused by the promotion of junior commercial/revenue officers above their senior colleagues. These tensions and disagreements consequently impacted negatively on the partnership outcomes.

Further to this, it has also been suggested that private companies’ management strategies can tend to emphasise on short-term profitability gains without consideration for social relations (Lane, 2000; Flinders, 2010; see also Barry, 2005; Arneson, 2007; Lamin and Livanis, 2013). Barry (2005) for instance, has raised serious concerns about the implications of privatisation on fairness, equity, and social justice.

Apart from employees who had better pay under the management of the PrivateCo, the findings suggest that the management staff of the PrivateCo were also paid a salary that was far higher than their counterparts in the WaterOrg. Interestingly, it was revealed by most participants that the PrivateCo staff were inexperienced and had technical limitations in some key areas including water distribution and operations. The huge salary disparities were demoralising for the WaterOrg senior managers because they were potentially providing the PrivateCo with valuable information concerning water distribution and management in Ghana. As is widely acknowledged, pay inequity can be demoralising for staff (Adams, 1965).

Empirical evidence suggests that employee benefits including training can be adversely affected after privatisation (Vrangbæk et al., 2015). In Ghana, however, this was not the case. The findings suggest that training improved under the management of the PrivateCo. The PrivateCo had training programmes (internal or external/overseas) for almost every employee, including junior and senior officers. However, those who benefitted most were commercial/revenue officers, who had tended to receive less favourable treatment than engineers when working for WaterOrg. In the case of the WaterOrg also the findings suggest that prior to the management contract, in some cases employees who had received training in specific areas were asked to work on things that were unrelated to where they had been trained. Thus, in spite of the literature claims that job-specific training and its subsequent application (Marilyn et al., 1990) can enhance employees’ skills, abilities and knowledge to improve corporate performance (Lucio and Mustchin, 2013; Tenhiälä et al., 2014), at the WaterOrg, trainees were not encouraged to use their new skills to make further contributions and improvements in areas where they had received training.

Another area where employees seem to have benefitted from the management contract is in relation to appointments and promotions. Promotions improved under the management of the PrivateCo. The emphasis on promotion was because it had been stalled for some time under the management of the WaterOrg and was subsequently impacting on employee morale. As with pay and training, those who benefitted from good promotions were junior commercial/revenue officers. These officers were promoted because they were deemed to be least motivated. In addition, the PrivateCo did not care much about qualifications, seniority and experience which had until then influenced WaterOrg promotional decisions. On the contrary, they were more interested in individual skills and competence on the job, and particularly those who knew how to mobilise revenue. Whether or not the PrivateCo’s promotion approach was appropriate, it was discriminatory in favour of commercial/revenue officers and caused further divisions within the WaterOrg and consequently led to tensions and disagreements between the WaterOrg and the PrivateCo. Existing literature suggests that concerns have been raised around how performance management is used in practice by private companies (Sanderson, 2001; Bovaird, 2002; Dibben et al., 2004) particularly in relation to the validity, reliability, and consistency of performance measures (Cutler and Waine, 1997a; Dibben et al., 2004). In this case, it appears that neither the public sector nor the private sector was necessarily able to determine appropriate measures to use. However, the promotion by PrivateCo of junior officers above their senior colleagues in an institution where power was previously distributed on the basis of seniority may have led to tensions and disagreements. These engineering officers who had previously been privileged felt threatened by the PrivateCo management approach and adopted measures to restore their authority. This finding reinforces some previous studies that the perception of elitism underpinned the management of public institutions in Ghana (Akuoko-Frimpong, 1994; Woode, 1997; see also Bourdieu, 1979). It is also consistent with the literature claim that senior public officials maximise the benefit of office and undermine effective public management **(**Niskanen, 1971, 1973; Tullock, 1976; Buchanan, 1976; Tullock et al., 2000). The findings further suggest that there were improvements in employees’ work environments under the management of the PrivateCo. The WaterOrg offices were transformed after renovations by the PrivateCo. For example, floor carpets were removed and replaced with tiles. The offices were also equipped with modern information technology such as the use of computers and internet facilities. The changes enabled employees to work effectively. It also improved certain aspects of the WaterOrg operations, particularly in terms of communication and information dissemination. Due to the improvements in communication and information dissemination, the less paperwork was reportedly used after the management contract. In common with Earhardt et al.’s (2011) findings, water privatisation led to investment in new equipment that consequently improved employees’ safety and corporate productivity.

However, senior managers of the WaterOrg were not happy with the office renovations because they thought it was not the main priority in the contract. In addition, the PrivateCo did not consult them as assets owners. The WaterOrg officials felt that huge sums of money were wasted renovating office buildings that could have been used to offset some of their outstanding debt. If renovations were necessary, PrivateCo should perhaps have improved communication with the WaterOrg officials. Given the fact that WaterOrg was the asset owner, it could have been more useful if their opinions were sought on matters relating to their properties.

In spite of the benefits discussed above, there were also negative outcomes for employees in some areas such as working time, performance management and job transfers. In terms of the working time, a flexible shift system was introduced for some employees, and particularly for call centre staff. The employees were not happy with the shift system because it was not a system that was practised in the WaterOrg. The employees were concerned because they thought that the shift system would have severe implications on their social relations, particularly those with families and young children. Employee concerns were because the Ghanaian culture and indeed the rest of sub-Saharan African is oriented towards caring for members of the extended family, group and communal sharing among others (Woode, 1997, Mbigi, 1997; Mangaliso, 2001; Jackson, 2004; Nkomo, 2006). In South Africa for example, some studies suggest that the Ubuntu culture underpinned by some of the principles above have been incorporated into both public and private institutions to improve their performance (Kamoche, 2011; Jackson, 2011, 2012). Recent studies on Chinese and Asian MNCs operating in Africa also suggest that they have been able to adapt their HRM practices to the local context to simultaneously bring about intended changes in employee attitudes and behaviours and improve corporate performance (Horwitz, 2012; Xing et al., 2014; Gomes et al., 2015). It is possible that the employees might have felt much more comfortable if the PrivateCo management had incorporated some of these African values. In addition, there was much uncertainty about job security. In the UK, which has been the forefront of privatisation project, changes to the working time have advanced to the extent that currently, some flexible employees work on a zero-hour contract basis (Glenister, 2013). There is no doubt that employment relations and the context in the UK are different from that of Ghana yet, privatisation tends to have the same objectives (see Jackson and Price, 1994; Lane, 1995; Bishop et al., 1995; Vickers and Yarrow, 1995). It is possible that the shift system was used as a testbed or platform for the introduction of other measures relating to working time.

Another issue that impacted employees was monitoring and supervision. The literature suggests that there is a link between NPM reforms such as privatisation and introduction of performance management regimes (Power, 1997; Dibben et al., 2004). This is because the proponents of NPM reforms believe that increasing managerial control and autonomy over decision-making process would enable them to improve on service delivery (Bach and Givan, 2013; see also Ackroyd et al., 2007). The findings in Ghana suggest that supervision and monitoring under the management of the PrivateCo had both positive and negative impacts on employees. Employees were asked to work towards performance targets which were captured on a centralised computing system. To some extent, this was a positive feature, since monitoring through the use of computers led to a positive change in employee attitudes, particularly in relation to reporting time. Meter readers could also no longer cause financial losses to the WaterOrg by exploiting the weaknesses in the revenue collection system. There were also improvements in logistical support and motivation for the commercial/revenue officers. For example, they had access to brand new cars to improve their field trips and revenue mobilisation. Claims such as transport allowance were also paid on time. Previously, employees were encouraged to take their salaries whether the performance was good or bad. Lack of performance measures had also meant that employees could not be sanctioned on performance related issues. This had consequently encouraged the practice whereby employees could stay on the job until retirement without any proper evaluation of their contribution to the WaterOrg financial sustainability and corporate performance. This observation is a reflection of how the power distance which has strong cultural underpinnings as explained earlier may have led to inappropriate use of power within the Ghanaian society (Budhwar and Debrah, 2001; Cole et al., 2007; Ohemeng, 2010).

In terms of the negative impacts, there was pressure on employees to achieve performance targets. This resulted in data manipulation and compromised the submission of crucial information on water quality. This finding reinforces some observers’ concerns that the quest for improved performance by businesses encourages inappropriate practices including data manipulation (Bellone and Goerl, 1992; Terry, 1993; Ruscio 1996; Deleon and Denhardt, 2000; Deleon, 2005; Ferlie et al., 2005). After the end of the contract in 2011, however, monitoring and supervision have reverted to the level it was prior to the management contract. For instance, it was revealed that employees now idle around and come to work late, even though the practice was brought a halt under the management of the PrivateCo (WaterOrg1, SeniorManager3).

Discipline and sanctions did not change under PrivateCo. PrivateCo lacked authority over the seconded staff and could not discipline or sanction any employee on performance related issues, primarily because disciplinary procedures under the management of the WaterOrg did not change due to the nature of the contract (management). In addition, the WaterOrg had a strong union presence that intervened in difficult situations to protect the employees.

The findings also suggest that there were job transfers and job cuts. Many studies claim that privatisation leads to restructuring or re-organisations in order to give managers more control over the management process (Nutley and Osborne, 1994; Ironside and Seifert, 2004; Pollitt, 2005; Colley, 2010; O’Donnell et al., 2013). For example, an OCED (2004) report on management restructuring indicates that there has been a shift in emphasis from career-based employment model where public servants are appointed for life with minimal or no threat to job security to a positioned - based system in order for the best-suited candidates to be selected. During the water privatisation in Ghana the restructuring that took place as part of the PrivateCo’s effort to improve operations and efficiency resulted in many changes including the transfer of senior regional managers. This caused a lot of confusion in the regions because there was lack of clarity as to who was responsible for a certain duty. The lack of power or authority vacuum led to three senior managers signing one cheque of a key customer. Evidence from the findings suggests that this was primarily due to the PrivateCo’s lack of understanding of the WaterOrg authority structure in particular and the Ghanaian culture in general. It was argued by some respondents that PrivateCo management staff assumed that Ghanaians had similar attitudes and orientation to the people they had met elsewhere in the African continent. Existing evidence suggests that cultural influences underpin organisations in most if not all countries in Sub-Saharan Africa including Ghana (Kiggundu, 1991; Adu-Boahen, 1992; Woode, 1997; see also Kamoche, 2011; Jackson, 2011; Horwitz, 2012). However, assumptions can be wrong. During water privatisation in Ghana, the diversity inherent in the partner's cultures did not appear to be managed properly particularly during transfers and promotions. What is equally surprisingly from the perspective of transfer is that after the management contract had expired and water management reverted back to the WaterOrg some non-engineering officers with valuable skills believed to have had good promotions were transferred to awkward places as a form of punishment**.** Evidence of vitctimization against some public sector employees at the highest level of government has been noted (Marshall, 1997; see also Opoku, 2010; STAR-Ghana, 2011). This finding suggests that the practice was also apparent at the WaterOrg.

In terms of job cuts, senior managers who were appointed by the government lost their jobs after the government was removed from power. In Ghana, this is not surprising because key appointments into almost every public institution including the WaterOrg were made by the government in power, and according to interviewees, primarily to further their political ambitions. Existing literature suggests that favouritism and divisional politics are the by-products of colonial influences in public management in Ghana (Howard, 1978; Chazan, 1982; Webster et al., 2006b; STAR-Ghana, 2011). Although much of what has been written suggests that the practice of favouritism is hindering Ghana’s development progress (Woode, 1997; Asante and Gyimah-Boadi, 2004; Arthur, 2009), this finding suggests that it is still part of the public management and development discourse in Ghana. The findings also suggest that lower level employees, who were close to retirement, had serious illness or disciplinary records lost their jobs. There were voluntary redundancies too. In all scenarios involving job losses employees were, however, given severance payments.

**7.4. Multiple stakeholder impact evaluation**

The above sections have focused on the impacts on consumers and employees. However, it is important to consider these effects together with the broader outcomes of privatisation (the management contract). These broader outcomes include the cost efficiencies that resulted for the government and the outcomes for the company running the management contract. The figure (7.1) is an illustration of how the outcomes impacted differently on the range of stakeholders involved. However, the figure and the numbering distribution are merely to build an impression that reflects the general themes raised by the findings.

Source: Author

There is much literature that posits that the main beneficiaries of privatisation are the private foreign multinational investors, directors and chief executives (Estache et al., 2001; Bayliss and Hall, 2002b; Parker, 2003; Bond, 2005; Godoy, 2008; Edigheji, 2008; Abbotta et al., 2011; Dudman, 2014). Empirical evidence in support of the above claim is based on studies that have been conducted across developed and emerging economies (see Bond, 2004; Godoy, 2008; Abbotta et al., 2011). It was important therefore to assess the validity of this claim in the light of this research. Evidence from this research suggests that the above claim is not entirely consistent with what happened during water privatisation in Ghana. The findings suggest that the degree of impact varied across the various groups of stakeholders, including those indicated above. In terms of private/multinational businesses, the findings suggest that there was no benefit to any businesses. The water distribution was the same for both domestic and industrial customers. The water supply deficiency has prompted some companies to start developing their own source of water supply (NGO2, Intervirew1).

In terms of PrivateCo, the findings suggest that they benefitted financially from the project (see Vidal, 2015). The financial gains related to the payments for the services. Revenue mobilisation increased consistently on a yearly basis. However, there was a lack of clarity as to whether the increases in revenue mobilisation resulted from tariff increases or was connected to the PrivateCo’s managerial capability. More specifically, the increased revenues may have been due to the improved interaction with customers through the establishment of the call centre, various payment options for consumers, and the resolution of issues relating to uncredited payments. As a result of the call centre, for example, faults and leakages were addressed on time to reduce unaccounted for water or water losses. The technological advancements, particularly the use of computers, improved information dissemination, monitoring, and supervision. This consequently saved money on stationery items and halted the abuses in the revenue collection system.

The findings suggest that some private contractors also derived some financial benefits from the project. The benefits were in relation to specific services or projects that they provided to the PrivateCo. Some private contractors were engaged for the purposes of meter installation project while others provided security services.

**7.4.1. NPM in Ghana: political interference, corruption, and socio-cultural issues**

This part of the discussion focuses on the implications of the research findings for new public management and how the principles associated with it are carried out in different countries with varying institutional arrangements. First, the proponents of privatisation claim that public sector institution underperform primarily because public officials maximise the benefit of office instead of servicing the interest of members of the general public (Niskanen, 1973; Tullock, 1976; Tullock et al., 2000; Jackson, 1982; Aidan and Lawton, 1999; Maclean, 2011). To some extent, the findings do appear to echo this judgment, suggesting that underperformance of the WaterOrg was caused by a complex inter-related range of factors, and some of these can be categorised under three main headings: political interference, corruption, and socio-cultural issues. In terms of political interference, the findings suggest that there was a lack of investment at the WaterOrg. This was because the government subsidy to the WaterOrg was withdrawn in 1999 as part of the preparation toward the privatisation. Most government institutions also owed the WaterOrg huge sums of money in unpaid water bills. The government did not allow the tariff to be fixed at the rate that would enable the WaterOrg to operate at a sustainable level in order to make plans for future expansion primarily because of the fear of losing the elections. In addition, politicians issued instructions to senior managers of the WaterOrg to undertake capital-intensive projects such as extending pipelines to areas where water accessibility would be extremely difficult and therefore not financially viable. Moreover, the appointment of senior managers of the WaterOrg including the Managing Director and the Board of Directors had consistently been made by the government in power to further their political ambitions. This suggests that politicians were more interested in exploiting the management of the water sector for political office than making tough decisions that could probably have had a positive long-term impact on members of the general public. It thus shows the extent to which water management is used as an important political tool in Ghana. This finding reinforces the literature claim that political influence underpinned water sector management in developing countries (Noll et al., 2000; Budds and McGranahan, 2003; Kirkpatrick et al., 2006; Ohemeng, 2010). The withdrawal of subsidy was probably not necessary in view of the implications any subsequent tariff increases might have on the vast majority of Ghanaian poor residents. It was nevertheless an easy option for the government to demonstrate to the World Bank that it was committed to cutting down the expenditure on public spending and subsequent adoption of NPM reforms (Whitfield, 2006; Fuest and Haffner, 2007).

With regard to corruption, the findings suggest that two main types of corruption impacted the operations of the WaterOrg. This was internal, involving both junior and senior officers of the WaterOrg and external, involving government officials who supervised the operations of the WaterOrg. Internal corruption was manifested in the form of extortion and during the award of contracts. In terms of extortion, meter readers were able to issue inappropriate receipts to customers during payment of water bills and kept the money to themselves afterward. Senior managers also set up businesses and used their position to award contact to themselves, friends and family. Although, previous studies of corruption in Ghana have identified those connected with friends and family members (Woode, 1997; Appiah, 1998; Helmke and Levitsky, 2004; Adarkwah-Yiadom, 2015), corruption related to senior public official setting up businesses and awarding contracts to themselves thus seems to be a recent phenomenon, and an indication that it has continued to evolve. Politicians who monitored or supervised the operations of the WaterOrg similarly used corrupt practices during procurement of materials for the WaterOrg. The possible explanations for why corruption occurred (but it is still continuing) is because there were and still are potential weaknesses in the WaterOrg procurement design and practices, award of contracts and revenue collection procedures. In terms of procurement, huge sums of money were wasted in buying materials that were potentially not necessary. Corruption was a major issue prior to the management contract. During the management contract implementation process, some measures instituted by the PrivateCo such as computerisation were able to address some of the internal / corporate corrupt practices. However, corruption that occurred at the senior management and governmental level did not seem to be addressed. Indeed, some empirical studies suggest that the World Bank and IMF backed reform programmes promote high-level corruption in developing countries, particularly in sub-Saharan Africa (Hanlon, 2004; De Renzio and Hanlon, 2007). This is quite disturbing but not surprising because it is likely that senior managers who are responsible for carrying out monitoring, evaluation and auditing responsibilities may also have been involved in the corrupt practices. The question is ‘to what extent can privatisation address the threats and corrupt practices of government ministers in Ghana?’ Although evidence of corruption in public institutions in Ghana is well documented (Killick, 1978; Appiah, 1998; Christensen, 1998; Ohemeng and Owusu, 2014), this study suggests that corruption has not been tackled in Ghanaian public sector organisations.

The findings also suggest that the work culture of the WaterOrg also contributed to its performance problems. This was because employees were not encouraged to be creative, but instead were asked to follow orders and instructions from their superiors. Many were not disciplined and did very little at work, partly because of the practices of favouritism and nepotism. They also did not care to protect the WaterOrg or the government property because of a sense of alienation. These findings are not unique to this research. They are key cultural issues which much has been written about (see Woode, 1997; Budhwar and Debrah, 2001; Cole et al., 2007; Akuoko, 2008; Ohemeng, 2010). Some of the issues resulted from internal managerial weaknesses. It is also possible that lack of concern for public property, for example, was due to how politicians have exploited the WaterOrg to further their political ambitions. The use of a multiple stakeholders’ perspective for this research has provided useful information to understand why privatisation might not be appropriate particularly in a ‘messy’ political climate such as in Ghana.

**7.4.2. Overview: privatisation in a developing country**

The universal claim that privatisation can improve the provision of public services has been challenged by the findings of this research. Proponents of privatisation claim that private sector style of management can improve the provision of public services (Osborne and Gaebler, 1992; Jackson and Price, 1994; Lane, 1995; Ferlie et al., 1996; Hope, 2002). The claim is based on the assumption that management principles are the same irrespective of the context within which it operates, whether private or public (Lane, 1995; Eliasson and Sitter, 2008). The findings of this research suggest that the claim of universal applicability is not entirely consistent with the context in Ghana. They demonstrate that, on the contrary, that there are two contrasting perspectives regarding the role of the private sector in public service provision. On the one hand, there was optimism among some of the research participants that PrivateCo’s management techniques could improve some of the inefficiencies associated with the management of the WaterOrg. The optimism was inspired by the fact that motivation, monitoring, and supervision improved under the management of the PrivateCo. They also improved the operations of the WaterOrg technologically with computers, call centre and variety of payment options. In addition, water accessibility improved for some residents (consumers) in poor communities. The measures improved interactions between the WaterOrg and its customers and consequently improved revenue collection.

The pessimists, on the other hand, believed that the PrivateCo was unable to deliver on the agreed performance targets, particularly the improvement in water delivery to the vast majority of Ghanaians because the socio-cultural and political issues inherent in water delivery system in Ghana are different from the PrivateCo’s values and objectives. For instance, there was an overarching perception that private sector management was oriented towards short-term profit objectives whereas the public sector emphasised promoting long-term public cohesion. The findings demonstrate that the PrivateCo management team lacked understanding of the Ghanaian culture and the authority structure of the WaterOrg. As a result, junior officers were promoted with comparable pay above their senior colleagues as part of the PrivateCo’s revenue mobilisation strategy. This action of the PrivateCo was perceived by the WaterOrg as divisive and led to the breakdown of communication between the partners. This observation is consistent with the claim that private company management practices undermine trust and create divisions in society (Halligan, 1997; Lane, 2000; Bovaird and Loffler, 2003). Consequently, the entire management contract implementation process was fraught with tensions and disagreements between the partners.

In sum, there was stakeholder consultation during the water privatisation in Ghana. There were consultation and communication with the Ghanaian members of the public (service users), employees of the WaterOrg, civil society groups, the union and government institutions and departments. The extent of the consultation and communication varied across the various stakeholder groups. Service users and in particular the most venerable in society had limited consultation avenues. Opinion leaders and well-educated members of society, on the other hand, were actively involved. Some senior managers, mostly engineers of the WaterOrg, had the opportunity to advise on the project. Some government departments and institutions that worked closely with the WaterOrg were also involved throughout the privatisation process. All of those who were consulted however did not seem to have any significant impact on the project apart from the government and the World Bank. Lack of consultation or limited consultation avenues led to some serious gaps in the contract design which were exposed during the implementation process with severe consequences on the privatisation outcomes. Some employees of the WaterOrg and consumers benefitted from the privatisation. In terms of consumers, water accessibility improved for some residents in water-distressed area mostly poor communities. There were also improvements in customer services. Customers had a lot of options regarding the means for the payment of water bills including the use of mobile phones, internet, and bank. Those who had outstanding queries with the WaterOrg on issues related to uncredited payments also had them revolved under the management of the PrivateCo. However, for the vast majority of Ghanaian members of the public, water accessibility, which was the core objective of the privatisation, did not improve. The condition of service also improved for some employees of the WaterOrg particularly commercial/revenue officers. The officers benefitted from good pay, promotions, and training. Others on the hand, particularly the engineers did not benefit. The computerisation of the work place also enabled employees to work effectively. The WaterOrg also benefitted from system improvement. The set-up of call centre had improved the interaction between the WaterOrg and its customers. The technological improvement had also improved information flow and communication and reduced the expenditure on stationery items. The section further reveals that the PrivateCo and some private contractors benefitted financially from the project. Last but not the least the section reveals that the WaterOrg performance problems resulted from a complex range of socio-cultural, economic and political factors. The assumption inherent in the New Public Management (NPM) that the causes of public sector problems are similar and that privatisation can address the issues (problems) irrespective of the context thus seems to be an over exaggeration.

Chapter Eight

**Conclusions, Contributions to Knowledge and Implications for Policy and Practice**

New Public Management (NPM) reforms including privatisation under various regimes entered into public policy and development debates due to increasing recognition of the anticipated and actual benefits and failings. These reforms were originally conceived in the OECD countries in the west in response to socio-economic challenges, such as unemployment, high inflation, balance of payments problems and, benefit crises (Farnham and Horton, 1993; Lane, 1997; Christensen and Laegreid, 2007; Eliassen and Sitter, 2008). Yet, most countries in other developed and emerging economies including Ghana have incorporated some of its principles into public institutions. This study focuses on a public institution in Ghana (WaterOrg) that was privatised in 2005 due to claims of performance problems. Although privatisation was carried out in the form of a management contract, empirical research exploring the impacts of privatisation on the various stakeholders particularly on consumers and employees was very limited. However, existing evidence in other emerging countries such as South Africa (Bond, 2004), Guinea (Prasad, 2006) and Malaysia (Zhang, 2005) had suggested that water privatisation did not achieve its intended benefits. This study was intended to address gaps in existing literature on privatisation in Ghana. More specifically, the aim of the study was to draw on institutionalist and culturalist accounts to explain the impact of New Public Management(NPM) reforms on a range of stakeholders in the African context through case study research in the Ghanaian water sector. The more specific objectives were to:

* Critically evaluate the intellectual origins and assumptions of NPM, and consider its applicability to the Sub-Saharan African context.
* Identify the main reasons and counter arguments for using NPM reforms in the Ghanaian water sector, including those associated with post-colonialism, socio-economic and culturalist accounts.
* Explore the extent of implementation of NPM reforms in the WaterOrg, including the use of privatisation and public-private partnerships and the forms of consultation used.
* Identify and describe the critical success factors for a range of stakeholders (including employees and consumers) and then evaluate and explain the extent to which they have been achieved.
* Assess the potential transferability of this study’s findings to other social contexts.
* Consider the potential implications of the study’s findings for effective public management in the case study organisation and other public sector organisations in Sub-Saharan Africa.

The findings of this research have revealed that the introduction of private sector management has not yielded the expected improvements in public services delivery in Ghana and after privatisation, the water supply did not improve for the vast majority of Ghanaian members of the public. This was due to a range of factors, including those associated with the country’s political and economic history, and the complex role of formal and informal institutions. However, there were some improvements in non-core areas including office rennovations, complaints reporting and means of payment.

This concluding chapter summarises the context for this research, including reflections on the methods used and the research process. It then highlights the study’s key findings and shows how they contribute to knowledge and presents implications and recommendations for policy and practice and the potential for future research.

**8.1. Reflections on methodological approach used**

As stated in the methodology chapter, this study was underpinned by an interpretivist and neo-empiricist approach and adopted the techniques associated with qualitative research. Qualitative research techniques have often been associated with the interpretivist philosophical tradition (Delanty and Strydom, 2003; Bryman, 2008; Benton and Craib, 2001, 2011; Denzin and Lincoln, 2011; Johnson and Duberley, 2015). An interpretivist approach assumes that knowledge underpinning social phenomenon can be known and understood primarily from the point of view of the individual social actors (Benton and Craib, 2001; May, 2001; see also Hughes, 1990; Hughes and Sharrock, 1997). This is primarily because the object of study in the social world - human beings - are fundamentally different from that of the natural sciences and hence the outcome of human behaviour cannot simply be explained using scientific exploration (Johnson and Duberley, 2015). I also believe that social reality can exist independently of social researchers, yet, can nevertheless be known (Delanty and Strydom, 2003; see also Benton and Crab, 2011). It is possible therefore for qualitative researchers to inductively generate theory but at the same time neutrally test the understandings of those whom they are researching through ‘hard won objectivity’ channels such as the use of audit trails (Johnson and Buehring et al., 2006).

The use of qualitative and case study approach facilitated the in-depth exploration of the process of privatisation, including the consultation mechanisms used, and the impact of Ghanaian water privatisation on various stakeholders, and particularly on employees and consumers. A case study approach was used, and proved to be useful given that the qualitative methods used aimed at understanding, describing and explaining the process and impacts of privatisation of WaterOrg (Stake, 2000; Bryman, 2001, 2008; Yin 1981a, 2003, 2009; Thomas, 2011). Moreover, it was particularly valuable given that this study posed a lot of ‘why’ and ‘how’ questions in an attempt to address a contemporary issue in a real life context (Yin, 2003: 1) – impact of water privatisation on employees and consumers in Ghana.

The study also adopted face-to-face, semi-structured interviews as the main method of field investigation. This was appropriate for this case study research because of the range of research participants, including senior public officials, union and World Bank representatives, employees of the WaterOrg and members of the public - consumers (see Bryman, 2001). The semi-structured approach enabled them to answer the questions on their own terms in a way that a standardised interview could not permit (May, 1997; Flick, 2006; Mason, 2011). It also enabled the following up of ideas, the investigation of potential biases, and the probing of responses (Bell, 1993). This method was however complemented by the use of documents and observation. Thus, the study utilised the principles inherent in multi-method approach (Denzin, 1978; Gilbert, 2008; Shank, 2007; Creswell, 2011). The multi-methods approach enhanced data collaboration from various stakeholders (Philip, 1998) which would not have been possible by the use of a single method.

Analysis of the data was undertaken using the NVivo qualitative software package. Data analysis aimed at generating themes, patterns, and conceptual frameworks (Easterby-Smith et al., 2008), that was useful in the interpretation of the findings. To achieve this, the research was divided into four main sections: rationale for privatisation, outcomes for the Government WaterOrg and the PrivateCo, impact on employees and impact on consumers and assigned with specific themes or labels through the coding (Miles and Huberman, 1994). The themes were further divided into sub themes on the basis of the information emerging from the research participants. The themes were subsequently and critically analysed by grouping them together and also looking for similar / common descriptive / narrative patterns to produce the research findings. The analysis process generated the intended outcomes because of the flexibility inherent in NVivo coding system. This enabled me to move back and forth throughout the analysis process, enhanced my understanding and consequently the development of conceptual frameworks (Spiggle, 1994: 495).

The methods employed yielded in-depth information that enabled answering of the research objectives and the linked research questions. However, as with most research studies, there were some limitations to this study. There were some challenges with respect to access, scheduled and re-scheduled of interview appointments to accommodate participants’ personal commitments. The limitations however, were overcome by the various methodological techniques that underpinned this research including the use of a snowballing sampling strategy and a range of participant groups.

**8.2.** **Research context**

New public management reforms, including privatisation, were underpinned by public choice theory (PCT) (Harris and Seldon, 1987; Nutley and Osborne, 1994; Lane, 2000; Van der Berg, 2004; Ferlie et al., 2005; Christensen and Lægreid, 2007). Public choice essentially involves the use and application of economic principles to the study of public institutions and behaviour of public officials (Harris and Seldon, 1987; Farnham and Horton, 1993; Corbett, 1996; Halligan, 1997; Lane, 1997; Tullock et al., 2000; Jackson, 2003; Bovaird and Loffler, 2003). It was developed as a reaction to the Keynesian social democratic model which was the dominant economic framework prior to and during the post-World War 2 period. Keynes’ social democracy argued that human nature and behaviour of public officials are oriented toward serving the collective (public) interest. Hence the state should play a leading role in the economy in order to administer justice, fairness and equality. As a consequence, the state assumed prime responsibility for economic management to deal with the threats of market failures (Harris and Seldon, 1987; Veljanovski, 1989; Lane, 2000; Tullock et al., 2000; Bovaird and Loffler, 2003; Jackson, 2003). Keynes’s economic model however was challenged by the proponents of public choice theory after the economic downturn in the mid-1970s that resulted in high unemployment, high inflation, and balance of payments difficulties (Farnham and Norton, 1994; Nutley and Osborne, 1994; Pollitt and Bouckaert, 2004; Eliassen and Sitter, 2008). Proponents of public choice theory on the other hand argued that the public administration system was responsible for public sector performance problems, primarily because bureaucrats and indeed every individual action is oriented toward self-interest, with concern for others coming second (Niskanen, 1968, 1973; Tullock, 1965, 1976; Jackson, 1982; Aidan and Lawton, 1999; Tullock et al., 2000; Maclean, 2011). They also argued that public sector provision was organised by special interest groups and did not satisfy members of the public’s needs. Hence, private sector management principles should be incorporated into the public administration system to improve their performance. Public choice theory thus underpinned the promotion of NPM reforms such as privatisation. Public choice theory was criticised for the lack of proper understating of the objectives underpinning public sector provision, particularly with respect to the promotion of equity and collectivism. Concerns have also been raised around how some NPM principles such as performance management and consumerism have been used in practice (Dibben et al., 2004). It was also discovered that although NPM reforms emerged in the OECD countries in response to socio-economic challenges, there were variations in the type, style and extent of implementation across different countries. For example, it became apparent that each country within the OECD adopted or implemented specific components of NPM reforms to reflect their economic model, the structure of public administration and institutional arrangements. The various forms of privatisation used included the use of public-private partnerships, again resulting in problems as well as benefits (Budds and McGranahan, 2003; Bond, 2004; Dibben, 2006; Earhardt et al., 2011; Gomes and Montanheiro, 2011), and to some extent influenced by the broader political, economic and institutional context within which they were implemented. Particular criticisms have been levied specifically against water privatisation due primarily to human rights values and the nature of its characteristics vis-à-vis the implications of privatisation on the most vulnerable in society (Capdevila, 2002; UNESCO, 2002; UNHCR, 2007).

**8.2.1. Political economy of Ghana before privatisation**

Prior to the introduction of NPM reforms, the Ghanaian economy was under extreme crisis of underperformance. The public management crisis began soon after independence from the British in 1957 (Leith and Soderling, 2003; STAR-Ghana, 2011) due to the lack of clarity as to who would benefit from Ghana’s foreign reserves accumulated primarily through cocoa export and other natural resources. This, coupled with tribal and ethnic divisions that had characterised Ghana’s prior, during and post-colonial history, created tensions that undermined effective public management and arguably defined many of the subsequent economic and political struggles (STAR-Ghana, 2011). Public sector performance problems were also caused by: economic mismanagement by successive governments due to ambitious and aggressive policies, cultural influences (Woode, 1997; Van Der Geest, 1998; Akuoko, 2008; Boateng and Anngela-Cole, 2012), political instability (Adu-Boahen, 1992), corruption (Pellow and Chazan, 1986; Appiah, 1998), perceptions of elitism (see Woode, 1997) and the lack of people with technical skill and capabilities (Milburn, 1977; Dzorgbo, 2001; Meng, 2004). The cumulative effect of the public sector performance problems was an increasing borrowing, worsening fiscal and balance of payment crisis and crippling debt burden. It was against this background that the government of Ghana accepted economic reforms from the World Bank and IMF in the mid-1980s known as the Economic Recovery Programme (ERP) (see Tangri, 1991; Osei, 1999; Soderling, 2003). The ERP, like many other recent public policies, was underpinned by NPM reforms and aimed to restructure public institutions by increasing their autonomy to operate effectively through cost recovery measures. This consequently led to the introduction of some NPM reforms such as privatisation across a range of public sector organisations in Ghana including the WaterOrg.

In the specific case of the WaterOrg, the decision to privatise was inspired by the following reasons. First, in spite of the changes introduced as part of the ERP such as the Water Sector Rehabilitation Project (WSRP) and the financial investment committed to it, the water supply situation in Ghana continued to deteriorate (GWCL: Official Statistics, 1999-2004). Second, there were claims that the WaterOrg could not account for almost about 55 percent of the water it produced due to internal / corporate level weaknesses and external influences (GWSC, 1993; Aboagye-Mensah, 2001; Codjoe, 2004). The subsequent privatisation was intended to improve WaterOrg performance and water accessibility to consumers. However, early indications suggested that the intended outcomes were not all successfully achieved (see also Budds and McGranahan, 2003; Bayliss, 2002; Bond, 2004).

**8.2.2. Formal and informal institutions in Ghana**

The role of formal and informal insitutions, work culture, nepotism and favouritism impacted on public sector management and the subsequent adoption of NPM reforms in Ghana. There have previously been claims that certain weaknesses inherent in the structure of public administration system contributed towards performance problems in public sector organisations (Nti, 1973; Appiah, 1998). The structure of public management in Ghana was thought to exhibit the characteristics of excessive centralisation (Woode, 1997; Appiah, 1998), underpinned by corruption, embezzelement, losses, absenteeism, irresponsiveness and lack of technical and skills capacities (Adu-Boahen, 1992; Appiah, 1998; Pellow and Chazan, 1986, Osumanu, 2008).

Performance problems in public institutions have also linked to cultural and tribal influences (Adu-Boahen, 1992; Woode, 1997). Indeed, most commentators on Ghana and Africa management practices have argued that there is a strong connection between cultural practices and organisational effectiveness (Kiggundu, 1991; Woode, 1997; Hallen, 2005; Nkomo, 2006; Kamoche, 2011; Jackson, 2004, 2011, 2012). Cultural practices such as the belief in the extended family system has been extended into Ghanaian public institutions with consequences. For instance, it has encouraged the practice of nepotism such that close relatives and people from the same tribes and clans are favoured for employment, leading to mistrust and apathy among others. It has also exerted pressure on public officials who are expected to make contributions (financially) to appease the diverse range of relations to yield to corrupt practices (see Blunt, 1990). Thus, the perception among some public officials was that the public sector can be used to accomplish personal and familiar responsibilities such as offering employment to friends and family members and party loyalists (Greenstreet, 1973; Killick, 1978; Woode, 1997; Christensen, 1998). The cumulative effect of the feeling of injustice in public management led to a sense of hopelessness in certain segments of society (see Khilji, 2003). Related to the above, concerns have also been raised around Ghanaian cultural practice that placed emphasis on respect for elders (Van Der Geest, 1998). The practice is based on the assumption that the elders sacrificed their own wishes, in order to construct a path for future generations, and therefore their place in society should be recognised (Van Der Geest, 2002). Some commentators on the other hand have suggested that it has been linked to timidity and lack of creativity among young people (Twum-Danso, 2009b; Yeboah and Obeng-Odoom, 2010), as well as issues surrounding use and abuse of power in public institutions and the wider society (Tsamenyi and Mills, 2003; Aryee, 2004; Ohemeng, 2010).

Others have also drawn attention to the extent to which the economy of Ghana, as in most developing countries, has become increasingly dependent upon international financial institutions such as the World Bank and the IMF. It is widely believed that funding conditions from these bodies have made it difficuilt for developing countries to implement development programmes that are compatible with local socio-economic, cultural and political characteristics (Hanlon, 2000; Hailey, 2000; Kayizzi-Mugerwa, 2002).

**8.3. Overview of key research findings**

In chapter five and six key research findings were presented and critically discussed against the background of the research objectives. It has previously been argued that new public management (NPM) reforms including privatisation were promoted into the public administration domain due to certain assumptions. Key among them was the assumption that public institutions underperform primarily because bureaucrats and indeed public officials maximise the benefit of office instead of serving the interest of the members of the public (Niskanen, 1968, 1973; Tullock, 1965, 1976; Jackson, 1982; Tullock et al., 2000; Maclean, 2011). Proponents also argued that private sector management principles could improve public sector performance problems (Harris and Seldon, 1987; Nutley and Osborne, 1994; Ferlie et al., 2005; Christensen and Lægreid, 2007; Eliassen and Sitter, 2008). The findings of this study revealed that the main causes of water privatisation were the lack of investment, corruption, nepotism and favoritism that existed within the WaterOrg prior to privatisation. Others related to political interference, management weaknesses and work culture. In terms of political interference, for example, the findings revealed that the government did not allow tariff to be fixed at the rate that would enable the WaterOrg operate at a sustainable level in order to make plans for future expansion primarily because of the fear of losing the elections. Also, politicians issued instructions to senior managers of the WaterOrg to undertake capital intensive projects such as extending pipelines to areas where water accessibility would be extremely difficult and therefore not financially viable. In addition, the appointment of senior managers of the WaterOrg including the Managing Director and the Board of Directors had consistently been made by the government in power to further their political ambitions.

During the process of privatisation, it was revealed that there were varying degree of consultation and involvement among different stakeholders’: government / institutional officials, WaterOrg employees and members of the general public. However, none of those involved or consulted had any significant influence on the project apart from the government and the World Bank. This led to design weaknesses which were exposed during the implementation process. The weaknesses paved the way for both the WaterOrg and the PrivateCo to interpret certain contractual clauses differently particularly those relating to repairs and the management of the revenue collection account. Consequently, the implementation process was marred with tensions, disagreement and conflicts with debilitating effects on the partnership performance outcomes.

In terms of the outcomes of privatisation, it was revealed that there were positive outcomes for the WaterOrg, PrivateCo and private contractors in terms of financial gains. The PrivateCo benefitted primarily from the amount of money they were paid for the services. The WaterOrg also benefitted from systems improvement such as computerisation and office renovations. For example, computerisation through the use of internet and email improved communication and information flow leading to savings on stationery communication items.

In terms of impact on employees, the findings revealed that there were positives as well as negatives. The positive outcomes related to pay, training, work environment and promotions. Those who benefitted most were junior / low level officers of the WaterOrg, and particularly commercial/revenue officers. Senior managers (mostly engineers) who until the introduction of the management contract had dominated the management of the WaterOrg felt threatened by the PrivateCo management practices. The changes made to the work environment in terms office renovations and improvement in technology particularly the use of computers improved communication and enabled employees to work effectively. The negatives on other hand revolved around changes to working time, performance management, job transfers and job cuts. For example, workers were not happy with the changes to working time (with the introduction of shifts), because they felt that it was undermining family values. Others became increasingly concerned about the use of performance targets and monitoring. There were also job transfers and job cuts, with negative impacts for many of those concerned.

The findings further revealed that there were some positives and negatives for both domestic and commercial/industrial consumers of the WaterOrg. The positives relate to the fact that there were improvements in customer services and complaints process through the set-up of call centre and payment outlets. Water accessibility also improved for customers in water distressed areas as a result of the pro-poor project. However, there was no improvement in water delivery to the vast majority of Ghanaian members of the public. As a consequence, the use of boreholes, an underground source of water has become popular as alternative water supply in Ghana particularly for those who can afford to install this. The vast majority of Ghanaian poor residents though cannot afford to do this. There were also problems with tariffs increases and meter installation. Water accessibility did not improve because the PrivateCo management staff were inexperienced, demonstrated a complete lack of knowledge in water distribution and as a result relied on the system and skills of the WaterOrg staff. The PrivateCo management team also lacked proper understanding of the Ghanaian culture which was a reflection of the management structure of the WaterOrg.

**8.4. Contributions to knowledge**

This engages with a range of fields of study, including public sector management, policy studies, employment relations, international HRM, African studies, and international business. This was necessary, given its focus on topical debates around: NPM, privatisation and public-private partnerships and the impact on key stakeholders; processes of communication and consultation; and the role of formal and informal institutions in Africa.

Public choice theorists have claimed that public institutions underperform primarily because public officials maximise the benefit of office instead of serving the interest of members of the general public (Niskanen, 1973; Tullock, 1976; Tullock et al., 2000; Jackson, 1982; Aidan and Lawton, 1999; Maclean, 2011). The findings of this research to some extent seem to reinforce the public choice assumption or claim. It nevertheless, revealed that underperformance of the WaterOrg was caused by a complex inter-related range of factors, categorised under three main headings: political interference, corruption and socio-cultural issues. With respect to political interference, this study revealed that the government did not allow tariffs to be fixed at the rate that would enable the WaterOrg operate at a sustainable level in order to make plans for future expansion due to the fear of losing the elections. Politicians also issued instructions to senior managers of the WaterOrg to undertake capital intensive projects such as extending pipelines to areas where water accessibility would be extremely difficult and therefore not financially viable. Moreover, the appointment of senior managers of the WaterOrg including the Managing Director and the Board of Directors had consistently been made by the government in power to further their political ambitions. With regard to corruption, the findings suggest that two main types of corruption impacted on the operations of the WaterOrg. There was internal corruption, involving both junior and senior officers of the WaterOrg and external, involving government officials who supervised the operations of the WaterOrg. Internal corruption occurred in the form of extortion and during the award of contracts. In terms of extortion, meter readers were able to issue inappropriate receipts to customers during payment of water bills and kept the money to themselves afterwards. Senior managers also set up businesses and used their position to award contact to themselves, friends and family. Politicians who monitored or supervised the operations of the WaterOrg similarly used corrupt practices during procurement of materials for the WaterOrg. With regard to socio-cultural issues it was revealed that employees were not encouraged to be creative, but instead were asked to follow orders and instructions from their superiors. Many were not disciplined and did very little at work, partly because of the practices of favouritism and nepotism. They also did not care to protect the WaterOrg or the government property because of a sense of alienation.

These findings are similar to previous studies on public sector management in Ghana (see Woode, 1997; Appiah, 1998; Budhwar and Debrah, 2001; Cole et al., 2007; Akuoko, 2008; Ohemeng, 2010**).** However, unlike the previous studies, this research has provided insights into specific issues and areas of corruption and political interference. It demonstrates, for example, that political interference is manifested during both the appointment of senior public officials and delivery of services to communities. It also draws attention to areas where high level corrupt practices has been and are still occurring such as during procurement and the award of contracts. It is however, different to the findings that have emerged in the western context, primarily because of the level of development, particularly in terms of governance structures, transparency, participatory and democratic arrangements and the opportunities available for members of society to achieve self-determination.

Second, privatisation was based on the assumption that private management principles can improve public service delivery (Wolf, 1979). The findings of this study, on the contrary, show that water delivery service did not improve for the vast majority of Ghanaian members of the public. Although there was high public anticipation that reduction in water losses would lead to improvement in water supply, at the end of the contract in 2011, water losses was estimated to be around 54 percent from the pre-contractual estimate of 55 percent. Only a few people in water distress areas had improved access through public stand pipes and water reservoirs as a result of the pro-poor project initiated by the PrivateCo. The PrivateCo also improved on customer service and complaints through computerisation, call centre and payment options. In addition, although one of the reasons for privatisation was that service users would have choices and flexibility to switch between alternative service providers based on the quality of service delivery (see Nutley and Osborne, 1994; Goldsmith and Page, 1997; Tullock et al., 2000; Sanderson, 2001; Ferlie et al. 2005), in Ghana there was no alternative service provider. Rather, the lack of water accessibility encouraged the use of bore hole a form of underground water as an alternative source of water supply. This suggests that further theorisation of forms of privatisation that emphasise individual-public partnership is necessary in order to relate such theories to the country’s level of development. The ‘one size fit for all’ approach does not seem to be applicable in the Ghanaian context. This study thus calls for caution on how the privatisation narratives are applied to countries that have similar socio-economic and political characteristics such as Ghana. This is because the management of the public sector in underpinned by deep-seated cultural, historical and political influences.

Related to the above, this study’s findings also contribute to discussions surrounding the implications of the use of private management principles in public institutions and managerialism (Hood, 1991; Flynn, 2000; Hope, 2002; Dibben et al., 2004; Preston, 2012). Many academics have argued that private sector management principles can cause divisions in society (Halligan, 1997; Lane, 2000; Bovaird and Loffler, 2003; Barry, 2005; Arneson, 2007; Flinders 2010). This is primarily because the objectives of private businesses are the maximisation of profit, whereas the public sector is oriented toward serving the collective interest in terms of fairness and equity in the distribution of resources. This research demonstrates that the PrivateCo quest to improve the WaterOrg performance led to the pursuit of some policies that were divisive and favoured some employees over others. For example, the PrivateCo promoted junior officers to senior management positions with comparable remuneration above the senior colleagues in the WaterOrg. Given the fact that Ghana’s history and development management has quite often been marred with divisions (tribal/ethnic) (see Adu-Boahen, 1992; STAR-Ghana, 2011), the PrivateCo approach was not what the WaterOrg or indeed, the rest of country expected. This study thus argues that in a polarised country such as Ghana, privatisation can cause further divisions in society. This is a finding that is not adequately incorporated into existing literature.

Third, this study contributes to the NPM and privatisation literature in emerging economies. As mentioned in chapter one (1.7), although Ghana was among the first countries in the sub Saharan Africa to adopt NPM reforms in public institutions, empirical research on the implications of such reforms on stakeholders and in particular employees and consumers was very limited. This study fills that gap and serves as a primary source of information for guiding future public policies in Ghana. Although, this study was conducted in the WaterOrg and does not intend to make generalised claims on the usefulness of the findings across public institutions in Ghana, nevertheless, this study’s findings were also based on critical reflections on issues underpinning effective public management in Ghana and elsewhere and used a multi stakeholder perspective. As a result, some of themes might be applicable to other public institutions in Ghana or indeed, transferable to other countries with similar socio-cultural and political context or characteristics. In particular, this study has drawn attention to the need to consider the way in which political appointments can be made, and how cultural influences such as the extended family system can encourage corruption (see also Adarkwah-Yiadom, 2015), nepotism and favouritism (Kiggundu, 1991; Woode, 1997; Jackson, 2004; Hallen, 2005; Nkomo, 2006; Kamoche, 2011; Jackson, 2011, 2012). Helmke and Levitsky (2004) have argued that cultural influences for example, have been perceived as symbols of identity and an alternative model to challenge or oppose the administration strctures imposed by colonialism.

Fourth, it contributes to debates within the field of public sector management, policy studies and employment relations on forms of communication and consultation (Talbot, 2005; Mooney and Poole, 2005; Dibben, 2006; Whitfield, 2006; Schilling-Vacaflor, 2014; Angwin et al., 2014) and participatory governance (Gaventa, 2006; World Bank, 2008; Wampler and McNulty, 2011). Various commentators have argued that all-inclusive and effective consultation and communication is essential for effective programme design and the subsequent performance outcomes (Scharpt, 1997; McQuaid, 2000; Huxham and Vangen, 2000; Klijn and Teisman, 2000; Tomlinson, 2005; Gomes et al., 2013). Scholars of this persuasion have suggested a variety of ways in which communication and consultation can be improved including the use of participatory governance schemes (Gaventa, 2006; World Bank, 2008; Wampler and McNulty, 2011), citizens juries and other deliberative mechanisms (Dibben and Bartlett, 2001; Lowndes and Sullivan, 2004; Cole, 2004; Dibben, 2006). Evidence from this research suggests that communication and consultation was not effective across the stakeholder groups. Only opinion leaders and highly educated people had the opportunity to advise on the project. Some service users, and in particular vulnerable members of the Ghanaian society, had limited consultation avenues primarily because they were deemed to be illiterate (see also Mackintosh, 1998; Dibben et al., 2004; Dibben, 2006). Thus, there was a lack of realisation that some people have intuitive knowledge that can be tapped to enhance project design. Ineffective consultation led to a series of demonstrations and protests organised by members of the civil society against the government which subsequently led to loss of innocent lives (Darko, 2010). Thus, ineffective and / or lack of consultation can have serious consequences on project implementation, particularly in Africa. This study also found that employee consultation was ineffective although it has been argued elsewhere that it is essential to elicit trust and commitment (Napier, 1989; Nikandrou et al., 2000; Gollan and Wilkinson, 2007). Dundon et al. (2004), posit that it influences the extent to which projects are perceived as originating from collective representation of voices. In addition, it enables issues arising from changes in working conditions such as redundancies to be resolved easily (Webster et al., 2006c). Some authors on strategic alliances have also argued that quality interactions need to exist between the managers within the alliance, particularly within the African context because of cultural influences (Luo, 2005, 2007; Gomes et al., 2011, 2014; Colquitt, 2013). These authors believe that interactions can be greatly improved when the partners effectively manage their cultural differences. In Ghana however, the findings suggest that interactions with employees were not effective. For instance, there was a breakdown of communication between the WaterOrg and PrivateCo. The union was less involved in the early stages of the discussions. Senior management involvement was also curtailed during the contractual design and their access to the contract document was removed. Employee consultation, particularly at the senior management level, was stopped because of the disagreements they had with the government and the World Bank over certain contractual clauses. This finding seems to echo existing studies that the sort of information that management is willing to provide to employees depends on the motive of the intended changes (Wilkinson et al., 2007), and also, whether it is intended to give employees a modest role in decision making or substantial power in organisational governance (Gollan and Wilkinson, 2007: 1). The effectiveness of consultation is believed to depend upon existing regulatory regimes (Budd et al., 2010; Wilkinson et al., 2013). Ineffective consultation of employees can create anxiety, loss of trust and confidence and consequently leads to adoption of inappriopriate measures and practices, such as the intercepting of emails and official messages as was the case for the WaterOrg employees. The cumulative effect of ineffective consultation led to design weaknesses which were exploited by the partners during the implementation phase with severe consequences on the partnership performance outcomes (see Scharpt, 1997; McQuaid, 2000; Huxham and Vangen, 2000; Klijn and Teisman, 2000; Tomlinson, 2005; Gomes et al., 2013). In other words, while consultation of employees and consultation of service users are often considered in separation, this study indicates the importance of considering them together, particularly within a development country.

Fifth, it contributes to the discussions surrounding the role of formal and informal institutions in Africa’s development. Existing literature suggests that effective programme implementation is underpinned by effective regulatory regimes (Bishop et al., 1995; Vickers and Yarrow, 1995; Vining and Weimer, 2005; see also Bayliss, 2002). The findings of this study demonstrate that although the regulator was responsible for fixing tariffs, they did not seem to have the final authority on the amount of tariffs that were granted because of political interference. Government institutions that supervised the operations of the WaterOrg did not have the authority to enforce their findings. Corrupt practices also occurred during procurement and the award of contracts. Cultural influences such as the extended family system still has a stranglehold on Ghanaian management practices, with various consequences (Budhwar and Debrah, 2001; Cole et al., 2007; Ohemeng, 2010). In parallel with concerns raised by previous studies about excessive centralisation and its adverse implications on public management (Ghana-Vision 2020, 1995; Woode, 1997; Appiah, 1998), evidence from this study suggests that this is still an issue to be confronted in the WaterOrg and other public institutions in Ghana. Weaknesses in the structure of public management were partly due to skills and capacity issues (see Woode, 1997; Appiah, 1998). Indeed, the fact that government departments were actively involved in the management contract design and implementation but could not identify and address the weaknesses which were subsequently exploited for opportunistic purposes by the partners suggests that there were and still are capacity problems at the highest level of government. This study thus provides important clues regarding the direction and areas where public policy needs to be strengthened at the institutional and corporate levels in order to improve the outcomes of public service delivery.

Sixth, this study contributes to knowledge in terms of its methodological approach. This was a qualitative case study research conducted at the Ghanaian WaterOrg. The overall objective of case study research is to contribute to an understanding of circumstances underlying a particular event, behaviour or course of action (Yin, 2003). Most authors also argue that case study is very useful when the research is about explaining or describing the occurrence of a phenomenon and involves analysis of events, persons, groups or organisations (Stake, 2000; Bryman, 2001, 2008; Yin, 2003; Thomas, 2011). This research, in seeking to understand and explain the impact of water privatisation on employees and consumers, gathered the views and opinions across a wide range of stakeholder groups including public officials, union and World Bank representatives, WaterOrg employees and members of the public (consumers). The main method of field investigation adopted for this study was face-to-face, semi-structured interviews. This method was however, complemented by documentary materials and non-participant observation. The interview provided valuable information on the research context (Mason, 2011). The documentary materials also served as a significant source of reference to check and corroborate interviewee responses, where appropriate. The non-participant observation approach also provided valuable information that both interview and documentary materials were unable to provide (Gill and Johnson, 2010; Hammersley, 2007; see also Bell, 1993) as well as on issues which participants were unwilling to discuss. Gathering both interview and documentary data therefore provided the basis for examining the validity and reliability of the data generated. The multi-methods approach enhanced the data collaboration particularly from various participant groups (see Philip, 1998) and subsequently improved the richness of my research findings. In short, this study demonstrated that qualitative case study research using a multi methods approach can enhance the quality of social research. It further demonstrates that in the specific case of Ghana and West Africa, confronted with complex and wider socio-economic and development challenges, an approach that is open to being interdisciplinary and elicits the views of a wide range of stakeholders can help to gain a clearer understanding of problems in society.

Finally, and more generally, the study contributes toward the literature on international human resource management that engages with institutionalist and culturalist accounts, and more specifically management and employment in Africa. In particular, it makes a contribution toward the limited research in West Africa. There is more existent literature on Southern Africa (e.g. South Africa, Mozambique and Angola) and on East Africa (e.g. Tanzania and Kenya) but there is very limited literature on West Africa, with the exception of Nigeria.

**8.5. Implications for policy and practice**

This research has several implications for policy and practitioners. First, it shows that there is the need to re-consider the role of foreign multinational firms in project implementation in the emerging economies. Privatisation is inspired by the claim that private companies have better technologies, equipment and a large portfolio of capital to manage public water services effectively and efficiently (Agyeman, 2007; see also K'Akumu, 2006). Evidence from this research demonstrates that international reputation, funds and technologies are not sufficient guarantees that projects will be implemented effectively in a diverse range of settings. The findings of this research suggest that the PrivateCo management team were inexperienced and demonstrated a lack of knowledge and technical skills on water operations and distribution. Instead, they depended on the WaterOrg for technical advice and subsequently ended up following the same rationing and distribution programmes instituted by the WaterOrg. The PrivateCo also demonstrated a lack of understanding of the Ghanaian culture and as a result pursued policies that were quite divisive among the WaterOrg employees such as by promoting junior officers above their senior colleagues. In order to prevent this situation from occurring again in future efforts should be made to investigate the backgrounds of partners, particularly if they are not known locally.

Second, it shows that an all-inclusive consultation and communication is an essential ingredient for effective project implementation (see Dibben, 2006; Weber and Fried, 2011; Gomes et al., 2013; Angwin et al., 2014). Ineffective consultation or any perceived threat of marginalisation causes problems that subsequently undermine the effectiveness of implementation. This became evident during water privatisation in Ghana. Although the voices of stakeholders were sought, there were variations in the extent to which they were consulted. The findings revealed that service users were consulted mainly through forums, seminars and workshops, an indication that attempts were made to involve them through a range of mechanisms. However, the voice of most vulnerable in society was marginalised due to limited consultation avenues (Mackintosh, 1998; Dibben et al., 2004; Dibben, 2006). These people were marginalised primarily because of illiteracy. It has nevertheless been argued elsewhere that involvement of service users should include both consultative and more deliberative mechanisms (Dibben, 2006). Only opinion leaders and highly educated members of the public were actively involved (see Akuoko, 2008; Woode, 1997). Even though users were consulted, and indeed, provided advice on alternatives that could be considered their voice did not appear to be taken into account.

Employee involvement also occurred at two different levels: at the senior management level and at the junior staff level, with the latter represented by the union. Yet, employee involvement in both cases was not continuous throughout the management contract implementation process. On the contrary, it occurred at certain moments or stages during the implementation.

The findings further revealed that government departments and institutions that worked closely with the WaterOrg were consulted and provided advice on certain aspects of the management contract. For example, the Regulator in particular was actively involved throughout the management contract implementation process and was fully responsible for fixing water tariffs and addressing customer complaints. Interestingly, none of the stakeholders involved or consulted seemed to have any significant impact on the project apart from the government and the World Bank. The lack of consultation wittingly or unwittingly led to serious design weaknesses. Although, concerns for or evidence of lack of public consultation on key public policy is not new to this research (see Ghana-Vision 2020, 1995; Akuoko-Frimpong, 1994; Woode, 1997), this study suggests that it is undermining effective policy outcomes. These revelations are significant contributions that this study has made toward the understanding of the implications of ineffective consultation and involvement on reforms relating to key public services. As such, it has not only provided valuable insights into areas where further consultation research might be needed. But also on where public policies need to be strengthened to enhance the outcomes of policy implementations in Ghana. What might be effective perhaps is to expand and strengthen the participatory structures and design a framework to ensure that the voice or influence of a minority (politicians and opinion leaders) are minimised. This may require a public policy shift to debunk the idea that only those at the top can make effective contribution on public policies. Several ways of encouraging citizens participation to improve on the quality and delivery of public services exist including the use of participatory governance (Fung and Wright, 2003; Gaventa, 2006; World Bank, 2008; Wampler and McNulty, 2012), policy makers and the government might need to integrate the participatory measures into the state structures and institutions to improve users voice on matters that affect them.

Third, and following from the above, the findings reveal that there were design weaknesses which were exposed during the implementation process. This resulted in certain contractual clauses being interpreted differently by the partners leading to tensions and disagreements with severe consequences on the partnership performance outcomes. For example, there was a disagreement as to who was responsible for undertaken certain repairs, WaterOrg or the PrivateCo. Existing literature suggests that effective consultation can improve contract design (Talbot, 2005; Mooney and Poole, 2005; Dibben, 2006; Whitfield, 2006; Schilling-Vacaflor, 2014; Angwin et al., 2014). Evidence from the findings suggests that the management contract had design weaknesses because of ineffective consultation. However, the fact that the weaknesses were not identified and rectified earlier suggest that the issue extends beyond lack of involvement to potentially technical and capacity weaknesses on the part of those who were actively involved. Strengthening individuals and departments/institutions that participate in policy formulation, design and implementation should be a focus in the future. Indeed, existing literature suggests that effective implementation of contracts depends on effective regulatory and institutional capacities (Vickers and Yarrow, 1995; Vining and Weimer, 2005; see also Bayliss, 2002)

It demonstrates further that although the WaterOrg had internal management weaknesses particularly in relation to work design and discipline, their performance was also underpinned by external / political influence. The appointment of the Managing Director and Board of Directors was dictated by political considerations which are some of the characteristics of divisional and regional politics and as such a legacy of colonialism (STAR-Ghana, 2011). Politicians also seem to have the final authority on how much tariffs can be granted. In addition, they influence where pipe borne water should be extended, irrespective of whether it is financially or economically viable. Corrupt practices also underpinned the management of the WaterOrg, some of which were connected to political influence. The WaterOrg thus has consistently been exploited by politicians for their personal and political advantage. Although some of these causes of public sector performance problems have been noted elsewhere (see Killick, 1978, 1983; Jeffries, 1994; Sandbrook and Oelbaum, 1997; Appaih, 1998), evidence from this study suggests that the problems have not been addressed. Corruption, for example, seems to have taken other forms such as public officials setting up businesses and awarding contracts to themselves, friends and family than what was previously known such as accepting of bribes and offering employment to family members. These are critical issues that must be confronted because they have and continue to undermine the progress of countless generations. There is no doubt that effective measures or public policies are critical in tackling these problems. Perhaps one of the measures will be for policy makers to focus on addressing institutional weaknesses and loopholes which are exploited for political and personal gains. Also, there is a need to expand the scope of institutions that promote transparency such as participatory goveranance schemes (see Gaventa, 2006; World Bank, 2008; Wampler and McNulty, 2011).

Related to the above are the findings on cultural influences and the work culture. Although much has been written about cultural influences on public management in Ghana (see Woode, 1997; Budhwar and Debrah, 2001; Cole et al., 2007; Akuoko, 2008; Ohemeng, 2010), the findings of this study demonstrate that cultural influences such as favouritism and nepotism contributed to the WaterOrg performance problems. Cultural influences encouraged corruption and favouritism in appointment and undermined effective discipline and supervision. Although cultural influences and the work culture are part of Ghanaian national identity, empirical evidence from this research and other previous studies suggest that they can encourage nepotism and favouritism (Woode, 1997; Van Der Geest, 1998; Akuoko, 2008; Boateng and Anngela-Cole, 2012), and undermine creativity and initiative among young people (Twum-Danso, 2009b; Yeboah and Obeng-Odoom, 2010). This study once again calls on researchers, politicians and policy makers to evaluate these unique national identities and strike a balance by emphasising and de-emphasising areas where cultural integration can be effective and vice versa. Much has been written about the Ubuntu culture in South Africa mentioned in chapter three (3.3) (Jackson, 2004; Nkomo, 2006; Kamoche, 2011; Jackson, 2011, 2012; Gomes et al., 2015). The Ubuntu culture is based on the assumption that people are only people because of others (Mbigi, 1997, 2005). Inherent within the Ubuntu culture are emphasis on values such as fairness, reciprocity, communal sharing and respect among others (Mbigi, 1997, 2005). In South Africa, the values underpinning the concept Ubuntu, and particularly its emphasis on indigenous humanistic and communal practices such as reciprocal relations, people or community ownership and respect have been integrated into most public and commercial organisations with some success (Jackson et al., 2008). For example, it is believed to have had some successes in management development initiatives on major corporations and education in South Africa (Mbigi, 1997, 2005; Mangaliso, 2001). The Ubuntu culture shares some similarities with the Ghanaian culture, particularly in terms of respect for elders, group and communal sharing. It might be a good idea for Ghanaian policy makers to draw lessons from it.

Last but not least, this study demonstrates that international institutions, and particularly the World Bank, played a key role in facilitating the water privatisation in Ghana. The World Bank provided funding for the project. The Bank was also instrumental in getting consultants to advice on privatisation options that would be suitable for Ghana and many more. Some studies suggest that funding conditions enable the World Bank to have significant leverage over the recipient country (Kiggundu, 1991; see also Hailey, 2000; Kayizzi-Mugerwa, 2002), and this study reinforces that claim. Evidence from the findings suggests that apart from the World Bank and the government none of the stakeholders who were consulted had any significant influence on the project. Thus, over dependence on international institutions to fund development projects may not be the correct strategy for effective public policy. This study suggests that further research /studies on how funds are administered, including consideration of how independent non-partisan institution(s) are funded may be necessary. From the policy perspective, this study calls on policy makers and the government to pursue policies that can make the country self-sustainable and less reliant on donors. This perhaps may require making tough and unpopular decisions. Yet, it may be the appropriate action for the country’s development in the long run.

**8.6. Recommendations for future research**

In the light of the empirical findings generated from this study and elsewhere against the backdrop of key theoretical assumptions of new public management reforms and privatisation specifically, the following are suggested as a short, medium and long term strategies for improving the effectiveness of water delivery service in Ghana. These recommendations have been offered based on the review of relevant literature, and on broader reflection on the research findings.

First, although the public had high expectations for improvement, water accessibility did not improve for the majority of Ghanaians. As a result, the use of boreholes a source of underground water has become popular as an alternative source of water in Ghana. The issue with the boreholes however, is that they are expensive and therefore not affordable to the majority of Ghanaian poor residents. The initiative and creativity demonstrated by members of the public to use boreholes, nevertheless is an effort worth commending. The government should step in to ensure that the water from the boreholes does not pose any serious health risks to the individuals concerned and that they are also conforming to safety protocols. In terms of cost, the government should extend credit to individuals and communities to encourage more participation in the scheme. As such, it is one of the schemes that immediate national water policy should explore to ease the water supply problems on communities.

Second, evidence from the findings suggests that engineering dominance in the management of the WaterOrg does not seem to have yielded any positive results. While the practice has been perpetuated on the assumption that water distribution and operation should require people with engineering background, it has nevertheless led to the marginalisation and underutilisation of certain key or crucial departments such as commercial/revenue offices where the WaterOrg financial viability depends. The skills and training inherent in the engineering profession is by no means different from those who have been professionally trained to manage. This lack of realisation appears to be contributing to the WaterOrg performance problems. This study calls for a thorough review of the WaterOrg management structures particularly in terms of power distribution and on key project decision making across departments. It also argues for a programme that could lead to a change in perception from engineering dominance and management perspective to one that focuses on professional management at the highest level to be instituted.

Third, consultation appeared to be ineffective across the stakeholder groups during water privatisation in Ghana. Members of the public for example, were consulted through seminars, forums and workshops. Employee consultation also occurred mostly through formal interactions with the union and management. It is possible that the same consultation process might not be appropriate for every individual. Future research might need to explore different consultation channels that could work for different groups in society, thereby increasing their voice on national policies, particularly within developing countries. In the context of Africa, and more specifically in the context of PPP/NPM, communication could be better covered within the alliance literature and particularly the use of formal and informal communication in collaborative arrangements.

Related to the above, the findings revealed that employee involvement occurred at two different levels – at the senior management level and at the junior staff level – with the latter represented by the union. Employee involvement in both cases however was not continuous; rather it occurred at specific stages of the management contract implementation. The union, for instance, was less involved in the early stages. Given the fact that WaterOrg had a strong union presence and strong intentions to consult employees it might be necessary for further research to explore why the union was not effective in practice.

Fourth, political interference, cultural influences, and the work culture seemed to contribute to the performance of problems in Ghanaian public sector organisations. In the specific case of the WaterOrg, high-level corruption occurred during procurement and the award of contracts. Politicians also issued instructions for pipelines to be laid without concern for the financial implications. Cultural influences such as the extended family system encouraged nepotism and favouritism so that close relatives were offered employment in public institutions. The cumulative effect has been lack of control, weak monitoring, and supervision. All of the above, however, point to institutional and structural weaknesses in public management. Future research might need to focus on further exploring the loopholes in procurement practices and the award of contracts. Also, research that aims at exploring degrees of transparency might be helpful in minimising the adverse political influences in public institutions.

Another potential area for future research might be to explore and apply organisational justice theory during project implementation in Africa in order to minimise the unintended consequences of project outcomes. This is necessary because, during the water privatisation in Ghana, a sense of injustice felt by some employees of the WaterOrg caused by the PrivateCo’s approach to promotions was believed to have led to tensions and disagreements that consequently undermined the partnership performance outcomes.

Last but not the least, it emerged that the management contract had serious design weaknesses which were exploited by the partners for opportunistic purposes during the implementation process. The weaknesses suggest a lack of technical skills and capacities across government departments. Future research is thus needed to explore the implications of skills and capacity problems across departments.

Bibliography

Abbotta, M. and Wanga, W. C. et al. (2011). "The long-term reform of the water and wastewater industry: The case of Melbourne in Australia", Utilities Policy **19**(2): 115-122.

Aboagye-Mensah, R. (2001). Ghana Water Company Limited. The Untold Story, Certificate of Identity. A paper presented at a workshop on Private Sector Participation in the Water sector. Accra, Ghana.

Abromeit, H. (1988). "British Privatisation Policy", Parliamentary Affairs **41**: 68-85.

Abudu, F. (1986). "Work attitudes for Africans with special reference to Nigerians", International Studies of Management and Organisation **16**: 17-36.

Acemoglu, D. and J. A. Robinson (2013). "Economics versus politics: Pitfalls of policy advice ", Journal of Economic Perspectives, American Economic Association **27**(2): 173-192.

Ackroyd, S., I. Kirkpatrick, et al. (2007). "Public Management Reform in the UK and its Consequences for Professional Organisations: A Comparative Analysis", Public Administration **85**(1): 9-16.

Adabre, J. and Amankwah, A. A. (2007). Ghana: Uneasy Calm at Ghana Water Company. Public Agenda. Accra, 22 January

Adam Smith Institute (2001). Interim Consultancy to support the Water Sector Restructuring Secretariat (WSRS) in implementing public and stakeholder communications. Final unpublished report submitted to the WSRS Accra & DFID

Adams, J. S. (1965). "Inequity in social exchange", Advances in experimental social psychology **2**: 267-299.

Adarkwah-Yiadom, F. (2015). Impact of Corruption on Ghana’s Development Agenda: Concerns of the Centre for African Democratic Affairs (CADA), Accra, Centre for African Democratic Affairs (CADA), 26 January.

Adda, W. A. (1992). Management of the Privatisation process: the Ghanaian experience. Paper presented at Conference on Privatisation, Sponsored by MDPEA Division, Commonwealth Secretariats, Islamabad, Pakistan.

Addo, P. K. (2010). The Contribution of Higher Education in National Development. International Journal of Educational Leadership (IJEL), 2(2), 81-87.

Adu-Boahen, A. (1992). The Ghanaian Sphinx: Reflections on the Contemporary History of Ghana, Accra, Sankofa Educational Publishers.

Adu-Boahen, A., J. F. Ade-Ajayi, et al. (1987). Topics in West African History, Addison-Wesley.

Aghion, P. and P. Bolton (1997). "A Theory of Trickle-Down Growth and Development", The Review of Economic Studies **64**(2): 151-172.

Aguilera, R. and J. Dencker (2004). "The role of human resource management in cross-border merger and acquisition", The International Journal of Human Resource Management **15**: 1355-1370.

Agyeman, K. (2007). "Privatisation of Water in Ghana: Stopped in its tracks or a strategic pause?" International Journal of Environmental Studies, **64**(5): 525-536.

Aidan, R. and A. Lawton (1999). Public Services Management, London, Prentice Hall.

Akuoko, K. O. (2008). "Traditional Values, Socio-Cultural Factors and Human Resource Management Practices in Public Sector Organisations in Ghana", Journal of Science and Technology **28**(3): 58-69.

Akuoko-Frimpong, H. (1994). Capacity Building for the Management of Privatisation Process: The Ghanaian Experience. A paper presented at the Regional Workshop on capacity building for the Management of Privatisation process in Africa. Accra, Ghana.

Alcázar, L., M. A. Abdala, et al. (2000). "The Buenos Aires Water Concession”, World Bank Policy Research Working Paper No. 2311 2000 - papers.ssrn.com.

Alexander, J. C. (2006). The Civil Sphere. New York, Oxford University Press.

Al-hassan, A. (2004). "Ghana Water: Strategic Investors Turn Strategic Managers", Water Justice, Promoting Alternative to Privatisation, August 12.

Allard, S. W. (2004). Access to Social Services: The Changing Urban Geography of Poverty and Service Provision. Washington DC, Brookings Institution Metropolitan Policy Program.

Ali, A. A. R. (2014). "Privatisation and Financial Performance in Developing Countries: Reality and Myth", International Journal of Business and Management **9**(4).

Amenga-Etego, R. (2003). Water Privatisation in Ghana: Still born or born deformed? African Files.

Amenga-Etego, R. (2004). "The Private Sector in Ghana’s Water – a strategy to serve or steal?" Bretton Woods Project. Update 43.

Amoah, L. G. A. (2014). Training for Public Service in Ghana in an Evolving World: Some Suggestions for the Future. Public Administration Training in Africa: Competencies in Development Management. F. P. Haruna and S. Vyas-Doorgapersad. London, CRC Press.

Ancion, P. (1990). "Administrative Reform in Public Management: Paradigms, Principles, Paradoxes and Pendulums", Governance **3**(2): 115-137.

Angwin, D. N., K. Mellahib, et al. (2014). "How communication approaches impact mergers and acquisitions outcomes”, The International Journal of Human Resource Management **25**: 1-30.

Angwin, D. N. (2000). Implementing successful post-acquisition management. Financial Times management series. London: Hall.

Anlimachie, M. A. (2015). Towards Equity in Access and Quality in Basic Education in Ghana: Comparative Strategies for the Rural and Urban milieu. American Journal of Social Issues and Humanities, 5(2).

Apoya, P. (2003). Community Public Sector Partnership for the Provision of Water Services in Savelugu, Ghana. A paper prepared for the Civil Society consultation on the 2003 Commonwealth Finance Ministers Meeting. Bandar Seri Begawan, Brunei Darussalam, 22-24 July 2003.

Appiah, F. (1998). In the Throes of a Turbulent Environment: The Ghanaian Civil Service a Changing State Management Monograph Series, No.1. Accra, University of Ghana.

Appiah-Kubi, K. (2001). "State-owned enterprises and privatisation in Ghana", The Journal of Modern African Studies. **39**(2): 197-229.

Apter, D. E. (1960). The role of traditionalism in the political modernization of Ghana and Uganda. Cambridge: Cambridge University Press.

Arneson, R. J. (2007). "Does Social Justice Matter? Brian Barry's Applied Political Philosophy", Ethics **117**(3): 1-25.

Arthur, P. (2009). "Ethnicity and Electoral Politics in Ghana’s Fourth Republic", Africa Today **56**(2): 45-73.

Aryee, S. (2004). HRM in Ghana. Managing Human Resources in Africa. K. Kamoche, Y. Debrah, H. F. and M. G. Nkombo. Abingdon, Routledge.

Asante, R. and E. Gyimah-Boadi (2004). Ethnic structure, inequality and governance of the public sector in Ghana, United Nations Research Institute for Social Development- unrisd.org

Atkinson, P. and A. Coffey (2004). Analysing documentary realities. Qualitative Research: Theory, Method and Practice. D. Silverman. London, Sage.

Augier, M. and D. J. Teece (2009). "Dynamic capabilities and the role of managers in business strategy and economic performance", Organisation Science **20**(2): 410-421.

Austen, R. (1987). African Economic History. Oxford, James Currey.

Ayee, J. R. A. (2012). Improving the Effectiveness of the Public Sector in Africa through the Quality of Public Administration. Rethinking Development Challenges for Public Policy: Insights from contemporary Africa. K. Hanson, G. Kararach and T. M. Shaw. London, Palgrave, Macmillan.

Ayee, J. R. (1999). Decentralization and Conflict. The Case of the District Chief Executives and Members of Parliament in Ghana. Accra: Friedrich Ebert Stiftung.

Ayittey, G. (2006). Indigenous African Institutions, 2nd Edition. New York: Transnational Publishers.

Bach, S. and L. Bordogna (2013). "Varieties of new public management or alternative models? The reform of public service employment relations in industrialized democracies", The International Journal of Human Resource Management **22**(11): 2281-2294, June.

Bach, S. and A. Stroleny (2013). "Public service employment restructuring in the crisis in the UK and Ireland: Social partnership in retreat ", European Journal of Industrial Relations **19**(4): 341-357.

Bach, S. and R. K. Givan (2013). "Varieties of new public management? The reform of public service employment relations in the UK and USA", The International Journal of Human Resource Management **22**(11): 2349-2366.

Bach, T. and W. Jann (2010). "Animals in the administrative zoo: organisational change and agency autonomy in Germany", International Review of Administrative Sciences **76**(3): 443-468.

Bacon, N. and P. Blyton (2004). "Trade union responses to workplace restructuring: exploring union orientations and actions", Work Employment & Society **18**(4): 749-773.

Bailey, C. A. (1996). A Guide to Field Research. London, Sage.

Baker, S. E. and R. Edwards (2012). How Many Qualitative Interviews is enough. Southampton, National Centre for Research Methods (NCRM).

Bakker, K. (2003b). "Archipelagos and Networks: Urbanization and water Privatisation in the South", The Geographical Journal **169**(4): 328-341.

Ball, B. A. and Trevino, L. K. et al. (1994). "Just and unjust punishment: influences on subordinates performance and citizenship", Academy of Management Journal **37**: 299-322.

Ballance, T. and S. Trémolet (2005). Private Sector Participation in Urban Water Supply in Sub-Saharan Africa, Final Report November 2005. London, German Cooperation.

Bangura, Y. (1999). New direction for state reforms: implications for civil society in Africa. Geneva, United Nations Research Institute for Social Development, Discussion paper 113.

Bangura, Y. and G. A. Larbi (2006). Public Sector Reforms in Developing Countries. Basingstoke, Palgrave Macmillan and UNRISO.

Banks, G. (2007). "Public inquiries in policy formulation: Australia's Productivity Commission”, Address to an International Workshop: China-Australia Governance Programme, Beijing, September 3.

Bannock, G., R. E. Baxter, et al. (1987). The Penguin Dictionary of Economics. New York, Penquin Books.

Barry, B. (2005). Why Social Justice Matters. Cambridge, MA, Polity.

Barton, A. (2001). Chapter 29. Public Choice Theory and Economic Rationalism: The Basis of New Public Management. Learning from International Public Management Reform: Part B (Research in Public Policy Analysis and Management Research in Public Policy Analysis and Management. J. G. Lawrence Jones, Peter Steane. Emerald Group Publishing Limited. **11:** 571-588.

Batley, R. (1999). "The New Public Management in Developing Countries: Implications for Policy and Organisational Reforms”, Journal of International Development **11**: 761-765.

Baxter, J. and J. Eyles (1997). "Evaluating Qualitative Research in Social Geography: Establishing 'rigour' in Interview Analysis", Royal Geographical Society **22**(4): 505-525.

Baxter, P. and S. Jack (2008). "Qualitative Case Study Methodology: Study design and implementation for novice researchers", The Qualitative Report **13**(4): 544-559.

Baxter-Moore, N., R. J. Jackson, et al. (1994). Studying Politics: An Introduction to Argument and Analysis. Toronto, Copp Clark, Longman.

Bayliss, K. (2002). Water privatisation in SSA: Progress, problems and policy implications, PSIRU Report, November.

Bayliss, K. and D. Hall (2002b). Unsustainable conditions – the World Bank, privatisation, water and energy, Public Services International Research Unit (PSIRU).

Beamisha, P. W. and N. C. Luptonb (2015). "Cooperative strategies in international business and management: Reflections on the past 50 years and future directions." Journal of World Business **51**(1): 163–175.

Beaumont, P. (1992). Public Sector Industrial Relations. London, Routledge.

Beck, T., E. and D. A. Plowman (2013). "Temporary, emergent interorganisational collaboration in unexpected circumstances: A study of the Columbia space shuttle response effort", Organisation Science **25**(4): 1234 - 1252.

Bell, J. (1993). Doing Your Research Project: A Guide for First-Time Researchers in Education and Social Science. 2nd edn. Buckingham Open University Press.

Bellone, C. J. and G. F. Goerl (1992). "Reconciling Public Entrepreneurship and Democracy?” Public Administration Review **52**: 130-134.

Bennett, J. and B. E. Kaufman, Eds. (2011). What Do Unions Do? A Twenty-Year Perspective New Jersey, Transaction Publishers.

Bennett, V. P. (1973). "The Motivation for Military Intervention: The case of Ghana", The Western Political Quarterly **26**(4): 665, December.

Benton, T. and I. Craib (2001). Philosophy of Social Science. Basingstoke, Palgrave: Macmillan.

Benton, T. and I. Craib (2011). Philosophy of Social Science: The Philosophical Foundation of Social Thought. 2nd Edition. Basingstoke, Palgrave: Macmillan.

Berger, L. S. A. (1998). Increased private sector participation in urban water sector unpublished draft business framework prepared for the Republic of Ghana.

Bergh, S. I. (2012). "Introduction: Researching the effects of neoliberal reforms on local governance in the Southern Mediterranean ", Mediterranean Politics **17**(3): 303-321.

Bertrand, O., F. Lumineau, et al. (2014). "The Supportive Factors of Firms’ Collusive Behavior: Empirical Evidence from Cartels in the European Union", Organisation Studies **35**(6): 881-908.

Bevir, M. and Rhodes, A. W., et al. (2003). "Traditions of governance: interpreting the changing role of the public sector", Public Administration **81**(1): 1–17, March.

Biaocchi, G. and P. Heller et al. (2011). Bootstrapping Democracy: Transforming Local Governance and Civil Society in Brazil. Stanford, Stanford University Press.

Biersteker, T. (1990). "Reducing Role of the State in the Economy: A Conceptual Exploration of IMF and World Bank Prescription", International Studies Quarterly **34**(4): 477-492.

Bishop, M., J. Kay, et al. (1995). Privatisation and Economic Performance. Oxford, Oxford University Press.

Blaxter, L., C. Hughes, et al. (2001). How to Research. Buckingham, Open University Press.

Blumer, H. (1969). Symbolic Interactionism: Perspectives and Methods. Englewood Cliffs, NJ, Prentice-Hall.

Blumer, H. and T. J. Morrione (2004). George Herbert Mead and Human Conduct. New York, Altamira Press.

Blunt, P. (1990). "Strategies for enhancing organisational effectiveness in the Third World", Public Administration and Development **10**(3): 299-313.

Boardman, A. E and Laurin, C. et al. (2003). Privatisation in North America. International Handbook on Privatisation. D. Parker and D. Sallal. Northampton, MA, Edward Elgar**:** 129-160.

Boateng, A. and L. Anngela-Cole (2012). "Socio-Economic Transformation of Akan Funeral Rites in Ghana: The Changing Process", Journal of Death and Dying **65** (2): 281-297.

Bolzan, N. and F. Gale (2000). "The Citizenship of excluded groups: challenging the consumerist agenda", Social Policy Administration **36**(4): 363-375.

Bond, P. (2004). Contradictions Confronting New Public Management in Johannesburg: the Rise and Fall of Municipal Water Commercialisation. Contesting public sector reforms: Critical perspectives; International debates. D. Pauline, W. Geoffrey and R. Ian. Basingstoke, Palgrave: Macmillan.

Bond, P. (2005). The Future of Decommodification: The Case of South Africa. Globalisation, Inequalities, and the Commodification of Life and Well-being M. Muchie and L. Xing. London, Adonis and Abbey.

Bond, P. and J. Dugard (2008). "The case of Johannesburg water: What really happened at the pre-paid ‘Parish pump", Law, Democracy & Development **12**(1): 1-28.

Borins, S. (1997). What the new public management is achieving: a survey of Commonwealth experience. Advances in International Comparative Management: International Perspectives on the New Public Management. L. Jones, K. Schedler and S. Wade. Greenwich, CT, JAI Press, 49-70.

Borins, S. (1999). "Innovating with Integrity: Evidence from the Ford Foundation. Kennedy School of Government Awards", Public Integrity **1**(4): 375-387.

Botwe-Asamoah, K. (2005). Kwame Nkrumah's Politico-Cultural Thought and Politics: An African-Centred Paradigm for the Second Phase of African Revolution. London, Routledge.

Boubakri, N., S. A. Mansi, et al. (2013). "Political institutions, connectedness, and corporate risk-taking", Journal of International Business Studies **44**: 195–215.

Boulding, C. and B. Wampler (2010). "Voice, Votes and Resources: Evaluating the Effect of Participatory Democracy on Well-Being", World Development **38**(1): 125-135.

Bourdieu, P. (1979). Distinction: A Social Critique of the Judgement of Taste. London, Routledge.

Bovaird, T., E. Loeffler, et al. (2002). From corporate governance to local governance: stakeholders-driven community score-cards for UK local agencies? Paper presented to British Academy of Management. London 9-11 September.

Bovaird, T. and E. Loffler, Eds. (2003). Public Management and Governance. London, Routledge

Bovens, M. (2005). Public Accountability. The Oxford Handbook of Public Management E. Ferlie, L. E. Lynn and C. Pollitt. Oxford, Oxford University Press.

Boycko, M. A. S. and R. W. Vishny (1996). "A Theory of Privatisation", The Economics Journal **106**(435): 309-319.

Boyne, A. G. and C. Farrell (2003). Evaluating Public Management Reforms. Buckingham, Open University Press.

Boyne, G. A. (1998). "Bureaucratic theory meets reality: Public choice and service contracting in U.S. local government", Public Administration Review **58** (6) Nov/Dec: 474-484.

Boyne, G. A. and J. Law (2005). "Setting Public Service Outcome Targets: Lessons from Local Public Service Agreements", Public Money and Management 253-260, August.

Bracking, S. (2003). Regulating Capital Accumulation: Negotiating the Imperial 'Frontiers'. Review of Political Economy, 95: 11-32.

Bretton Woods Project (2001). Privatisation of water not ‘pro-poor’, NGOs warn. Update 23, 18 June.

Bretton Woods Project (2002b). Ghana Water Privatisation Disputed by Independent Analysts. Update 31. 26 November.

Bretton Woods Project (2002a). Ghanaians Contest Bank-Backed Water Privatisation. March/April.

Brewer, B. and M. R. Hayllar (2005). "CAPAM Symposium on Networked Government: Building public trust through public–private partnerships", International Review of Administrative Sciences **71**(3): 475-492.

Broadbent, J. and R. Laughlin, Eds. (2001). Public Service Professional and the NPM: Control of the Professionals in Public Services New Public Management: Current Trends and Future Prospects. London, Routledge.

Brocklehurst, C. (2002). New Designs of for Water and Sanitation Transactions: Making Private Sector Participation Work for the Poor. Washington DC, PPIAF and Water and Sanitation Programme.

Brookes, M., T. Hinks, et al. (2004). "Pulled Apart, Pushed Together: Diversity and Unity within the Congress of South African Trade Unions", Industrial Relations **59**(4): 769-792.

Broussalian, K. (2011). "Overcoming Colonial Vestiges in Cote d'Ivoire and Ghana", Journal of Political Enquiry **4**.

Brown, C. K. (1994). Gender Roles in Household Allocation of Resources and Decision-Making in Ghana. Fadep Technical Series (2). Accra, University of Ghana.

Bryman, A. (1988). Quantity and Quality in Social Research. London, Routledge.

Bryman, A. (2001). Social Research Methods. Oxford, Oxford University Press.

Bryman, A. and E. Bell (2007). Business Research Methods. Oxford, Oxford University Press.

Bryman, A. (2008). Social Research Methods. Third Edition. Oxford, Oxford University Press.

Bryman, A. and E. Bell (2011). Business Research Methods. Oxford, Oxford University Press.

Bryman, A. and E. Bell (2015). Business Research Methods. Fourth Edition. Oxford, Oxford University Press.

Bryson, J. M. and B. C. Crosby (1992). Leadership for the Common Good: Tackling Public Problems in a Shared-powered World. San Francisco Jossey-Bass

Buchanan, J. M. (1975). The Limits of Liberty: Between Anarchy and Leviathan. Chicago IL, University of Chicago Press.

Buchanan, J. M. (1977). Freedom in Constitutional Contract. Texas: College Station, Texas A & M University Press.

Buchanan, J. M. (1978). The Economics of Politics. London, Institute of Economic Affairs Readings, 18.

Buchanan, J. M. (1990). "The domain of constitutional economics", Constitutional Political Economy **1**(1): 1-18.

Buchanan, J. M. and G. Tullock (1962). The Calculus of Consent. Ann Arbor, University of Michigan Press.

Buckleya, P. J., S. Eliab, et al. (2014). "Acquisitions by emerging market multinationals: Implications for firm performance", Journal of World Business 49(4): 611–632.

Budd, J. W., P. J. Gollan, et al. (2010). "New approaches to employee voice and participation in organisations", Human Relations **63**(3): 303-310.

Budd, J. W. and K. Mumford (2004). "Trade unions and family-friendly policies in Britain", Industrial & Labour Relations Review **57**(2): 204-222.

Budds, J. and G. McGranahan (2003). "Are the debates on water privatisation missing the point? Experiences from Africa, Asia and Latin America", Environment and Urbanization **15**(2): 87-114.

Budhwar, P. S. and Y. A. Debrah (2001). Human Resource Management in Developing Countries. London, Routledge.

Bulmer, M. and D. P. Warwick (1993). Social Research in Developing Countries. London, UCL Press.

Burchell, B. and Ladipo, D. et al., Eds. (2005). Job Insecurity and Work Intensification. London, Routledge.

Burke, M. (2012). "A decade of e-government research in Africa: Section I: Themes and approaches to inform e-strategies", African Journal of Information and Communication **12**(2-25).

Burke, E. (1976). Frantz Fanon's "The Wretched of the Earth. Daedalus, 105(1): 127-135.

Burton, D. (2000). Research Training for Social Scientists. London, Sage.

Butler, S. (1988). "Commentary on Privatisation: Forms, Limits and. Relations to a Positive Theory of Government", Marquette Law Review **71**(3, Article 4).

Butler, S. (1991). “Privatisation for Public Purposes”. Privatisation and Its Alternatives. W. T. Gormeley. Wisconsin, Wisconsin University Press.

Cabral, R. B. and P. M. Aliño (2011). "Transition from common to private coasts: Consequences of privatisation of the coastal commons", Ocean & Coastal Management **54**(1 (January): 66–74.

Cagan, P. (1987). 'Monetarism', The New Palgrave: A Dictionary of Economics. Basingstoke, Palgrave Macmillan.

Capdevila, G. (2002). UN consecrates water as public good, human rights. Inter-Press Service, 27 November.

Carroll, P. and P. Steane (2000). Public-Private Partnerships: Sectoral Perspectives. Public-Private Partnerships: Theory and practice in international perspective. S. P. Osborne. London, Routledge.

Casey, D., & Murphy, K. (2009). Issues in using methodological triangulation in research: Dympna Casey and Kathy Murphy explore the advantages and disadvantages of using triangulation. Nurse Researcher, 16(4): 40-55.

Cassell, C., V. Bishop, et al. (2009). "Learning to be a Qualitative Management Researcher", Management Learning **40**(5): 513-533.

Chana, K. W. (2012). "Rethinking flexible welfare strategy in Hong Kong: a new direction for the East Asian welfare model?" Journal of Asian Public Policy **5**(1): 71-81.

Charmaz, K. (2006). Constructing Grounded Theory: A Practical Guide Through Qualitative Analysis. London, Sage.

Chazan, N. (1982). "Ethnicity and politics in Ghana", Political Science Quarterly **97**(3): 461-485.

Cheung, A. B. L. (2012). "Public administration in East Asia: legacies, trajectories and lessons", International Review of Administrative Sciences **78**(2): 209-216.

Child, J., D. Faulkner, et al. (1998). Co-operative Strategy: Managing Alliances, Networks and Joint Ventures. Oxford, Oxford University Press.

Chipkin, I. and B. Lipietzi (2012). Transforming South Africa's racial bureaucracy: New Public Management and public sector reform in contemporary South Africa. PARI Long Essay Number 1, February.

Chomsky, N. (1999). Profit over People: Neoliberalism and the Global Order. New York: Seven Series Press.

Christensen, T. and P. Lægreid (2013). Contexts and administrative reforms: a transformative approach. Cheltenham, Edward Elgar.

Christensen, P. F. (1998). "Performance and divestment of state-owned enterprises in Ghana", Public Administration and Development **18**(3): 281-293.

Christensen, T. and P. Lægreid (2001a). New Public Management: The Transformation of Ideas and Practices. Aldershot, Ashgate.

Christensen, T. and P. Lægreid (2006). Autonomy and Regulation: Coping with Agencies in the Modern State. Cheltenham, Edward Elgar.

Christensen, T. and P. Lægreid (2007). Transcending New Public Management: The Transformation of Public Sector Reforms. Surrey, Ashgate.

Christensen, T. and P. Lægreid (2007b). "The Whole-of-Government Approach to Public Sector Reform", Public Administration Review **67**(November/December): 1059-1066.

Christensen, T., A. Lie, et al. (2007). Still Fragmented Government or Reassertion of the Centre? Transcending New Public Management: The Transformation of Public Sector Reforms. T. Christensen and P. Lægreid. Surrey, Ashgate.

Christian Aid (2001). Water Privatisation in Ghana. WHO Press Release 22/11/01.

Chung, C., P. Sparrow, et al. (2014). "South Korean MNEs' international HRM approach: Hybridization of global standards and local practices", Journal of World Business **49**(4): 549–559.

Clifton, J. and D. Díaz-Fuentes (2014). "The OECD and The Rest: Analysing the Limits of Policy Transfer", Journal of Comparative Policy Analysis: Research and Practice **16**(3): 249-265.

Codecasa, G. and D. Ponzini (2011). "Public-Private Partnerships: A Delusion for Urban Regeneration? Evidence from Italy", European Planning Studies **19**(4): 647-667.

Codjoe, F. (2004). Time up for co-modification and Privatisation of Urban Water Supply in Ghana. Accra, Ghana.

Cohn, S. M. (2006). Reintroducing Macroeconomics: A Critical Approach. New York, M.E. Sharpe.

Cole, C. M., T. Manuh, et al., Eds. (2007). Africa after Gender? Bloomington, USA, Indiana University Press.

Cole, M. (2004). "Consultation in Local Government: A Case Study of Practice at Devon County Council", Local Government Studies **30**(2): 196-213.

Colley, L. (2010). Considering public sector executive reforms through labour process concepts. Work Matters: 28th International Labour Process Conference (ILPC). Rutgers University, New Jersey, USA, (1-12). 15-17 March 2010.

Collins, R. O. and J. M. Burns (2007). A History of Sub-Saharan Africa. Cambridge: UK.

Colquitt, J. A., B. A. Scott, et al. (2013). "Justice at the Millennium, a Decade Later: A Meta-Analytic Test of Social Exchange and Affect-Based Perspectives", Journal of Applied Psychology **98**(2): 199-236.

Congleton, R. D. (1999). Buchanan and the Virginia School, George Mason University: Center for the study of Public Choice.

Conteh, C. and A. S. Huque, Eds. (2014). Public Sector Reforms in Developing Countries: Paradoxes and Practices. London, Routledge.

Cook, P. (2001). “Privatisation and Regulation in Developing Countries”, The Internationalisation of Public Management: Reinventing the Third World State. W. McCourt and M. Minogue. Cheltenham, Edward Elgar.

Cooke, F. L. and C. Y. Zhan (2013). "Between market and bureaucracy: public healthcare reforms in China and nurses' terms and conditions", The International Journal of Human Resource Management **24**(16): 3178-3195.

Cooling, T. (1999). Tendering and Outsourcing: Working in the Contract State? Employee Relations in the Public Services, pp 136-155. S. Corby and G. White. Routledge.

Cooper, R. N. (1997). The General Theory of Employment, Money, and Interest. Foreign Affairs. New York. 1, Sep/Oct

Corbett, D. (1996). Australian Public Sector Management, 2nd Edition. Sydney, Allen and Unwin.

Corner, D. (2005). The United Kingdom Private Finance Initiative: The Challenge of Allocating Risks. The Challenge of Public-Private Partnerships: Learning from International Experience, 44-61 G. Hodge and C. Greve. Cheltenham, Edward Elgar.

Corporate Watch (2014). New research says water privatisation costs UK customers £2bn per year Water Briefing, Thursday 18 December London, Corporate Watch.

Crase, L., B. Dollery, et al. (2005). "Community consultation in public policy: The case of the Murray-Darling Basin of Australia." Australian Journal of Political Science **40**(2): 221-237.

Creswell, J. W. (2008). Educational Research: Planning, conducting and evaluating quantitative and qualitative research. 3rd ed. Upper Saddle, NJ, Pearson Education.

Creswell, J. W. (2011). Controversies in Mixed Methods Research. The Sage Handbook of Qualitative Research. N. K. Denzin and Y. S. Lincoln. Thousand Oaks, CA, Sage.

Crook, R. C. (2010). "Rethinking civil service reform in Africa: ‘islands of effectiveness’ and organisational commitment", Commonwealth & Comparative Politics **48**(4): 479-504.

Cross, R. G. (1997). Revenue management: hard-core tactics for market domination. London, Broadway Books.

Crowder, M. (1964). "Indirect Rule: French and British Style in Africa", Journal of the International African Institute **34**(3 July): 197-205.

Cutler, T. and B. Waine (1997a). Managing the Welfare State. Text and Sourcebook, Place: Berg.

Dabbicco, G. (2015). "The Impact of Accrual-Based Public Accounting Harmonization on EU Macroeconomic Surveillance and Governments' Policy Decision-Making", International Journal of Public Administration **38**(4): 253-267.

Daily Graphic (2003). 3 GWCL men wanted over ¢136bn fraud. Monday, 17 March 2003.

Daly, M. and J. Lewis (2000). "The concept of social care and the analysis of contemporary welfare states", The British Journal of Sociology **51**(2 (June)): 281-298.

Danso-Boafo, K. (1996). The Political Biography of Dr. Kofi Abrefa Busia. Accra, Ghana Universities Press.

Dapaah, A. S. (1990). "Managing State Enterprises in Crises: The Case of GWSC", Greenhill Journal of Administration **7**: 1-2.

Darko, K. O. (2010). The Politics of Government-Business Relations in Ghana, 1982-2008 London, Palgrave, MacMillan.

Das, T. K. and B. S. Teng (2001). "Trust, control and risk in strategic alliances: an integrated framework", Organisation Studies **22**(2): 251-283.

Davies, P. H. J. (2001). "Spies as Informants: Triangulation and the Interpretation of Elite Interview Data in the Study of the Intelligence and Security Services", Politics **21**(1): 73-80.

Davis, J. (2004). "Corruption in Public Service Delivery: Experience from South Asia's Water and Sanitation Sector", World Development **32**(1): 53-71.

Davis, R. E., M. P. Couper, et al. (2010). "Interviewer effects in public health surveys", Health Education Research **25**(1): 14-26.

Delanty, G. (2000). Social Science: Beyond Construction and Realism. Buckingham, Open University Press.

Delanty, G. (2005). Concepts in Social Science. Second Edition. Maidenhead, Open University Press.

Delanty, G. and P. Strydom (2003). Philosophies of Social Science: The Classic and Contemporary Readings. Maidenhead, Open University Press.

Deleon, L. (2005). Public Management, Democracy and Politics. The Oxford Handbook of Public Management. E. Ferlie, L. E. Lynn and C. Pollitt. Oxford University Press.

Deleon, L. and R. P. Denhardt (2000). "The Political Theory of Reinvention", Public Administration Review **59**: 89-97.

Delong, G. and R. DeYoung (2007). "Learning by observing: Information spill over in the execution and valuation of commercial bank M&As", Journal of Finance **62**: 181-216.

Denhardt, R. B. (1999). "The Future of Public Administration: Challenges to Democracy, Citizenship and Ethics", pamij.com/99-4-4-Denhardt.

Denhardt, R. B. and J. V. Denhardt (2000). "The New Public Service: Serving Rather than Steering", Public Administration Review **60**(6): 549-559.

Denkhaus, I. and V. Schneider (1997). The Privatisation of Infrastructure in Germany. Public Sector Reform: Rationale, Trends and Problems. J. E. Lane. London, Sage.

Dent, M. (2000). "Professionals, New Public Management and the European Welfare", Development (11): 761-765.

Denzin, N. K. (1978). The research act: A theoretical introduction to sociological methods. New York, McGraw-Hill.

Denzin, N. K. and Y. S. Lincoln (1994). Handbook of qualitative research. Thousand Oaks, CA, US, Sage Publications.

Denzin, N. K., & Lincoln, Y. S. (1998). Strategies of Qualitative Inquiry. London: Sage.

Denzin, N. K. and Y. S. Lincoln, Eds. (2005). The Sage Handbook of Qualitative Research. Thousand Oaks, CA, Sage.

Denzin, N. K., & Lincoln, Y. S. (2008). Collecting and Interpreting Qualitative Materials. London: Sage.

Denzin, N. and Y. S. Lincoln (2011). The Sage Handbook of Qualitative Research. Fourth Edition. Thousand Oaks, CA, Sage.

De Renzio, P. and J. Hanlon (2007). Contested Sovereignty in Mozambique: The Dilemmas of Aid Dependence The dilemmas of aid dependence. Global Economic Governance (GEG) Working Paper No. 2007/25. University of Oxford, Oxford.

Derrick, J. (1983). "The 'Native Clerk' in Colonial West Africa”, African Affairs **82**(326 (January)): 61-74.

De Vaus, D. (2001). Research Design in Social Research. London, Sage.

De Wet, P. (2015). Water wars expose a rotten system bleeding cash. Mail & Guardian, February 13. Johannesburg.

Dheer, R. J., T. Lenartowicz, et al. (2015). Mapping India’s regional subcultures: implications for international management. Journal of International Business Studies, 46(4), 443-467.

Dia, M. (1996). Africa's management in the 1990s and beyond. Washington, DC, The World Bank.

Dibben, P. (2006). "The 'Socially Excluded' and Local Transport Decision Making: Voices and Responsiveness in a Marketised Environment", Public Administration **84**(3): 655-672.

Dibben, P. and D. Bartlett (2001). "Local Government and Service Users: Empowerment through User Led Innovation?" Local Government Studies **27**(3): 43-58.

Dibben, P. and P. Higgins (2004). New Public Management: Marketisation, Managerialism and Consumerism. Contesting public sector reforms: critical perspectives, international debates. P. Dibben, G. Wood and I. Roper. Basingstoke, Palgrave Macmillan.

Dibben, P., G. Wood, et al. (2004). Contesting public sector reforms: critical perspectives, international debates. Palgrave Macmillan, Basingstoke.

DIC (1999). Divestiture of State-Owned Enterprises in Ghana. Accra, Divestiture Implementation Committee, June

Dodd, K. (2005). "Consumerism", Home Health Care Management & Practice **17**(3): 225-226.

Dollery, B. E. and A. C. Worthington (1996). “The Evaluation of Public Policy: Normative Economic Theories of Government Failures”. Journal of Interdisciplinary Economics **7**(1): 27-39.

Donaldson, L. (2001). The Contingency Theory of Organisations. CA, Thousand Oaks, Sage.

Doney, P. M. and Canoon, J. P. et al. (1998). "Understanding the influence of national culture on the development of trust", Academy of Management Review **23**: 601-620.

Downs, A. (1957). An Economic Theory of Democracy. Cambridge, Cambridge University Press.

Dovi, E. (2010). Ghana’s economy: hope rekindled, Ups and downs give way to cautious revival Africa Renewal, United Nations Africa Renewal August **18**.

Dudman, J. (2014). Chiefs of privatised public services have hit the jackpot. Government has not. The Guardian, Public Leaders Network, Thursday 3 April 2014

Dumoga, E. (1997). Reforms at the Ghana Water and Sewerage Corporation: A Study of the Operations and Controls. Accra, GWSC.

Dundon, T., A. Wilkinson, et al. (2004). "The meanings and purpose of employee voice", The International Journal of Human Resource Management **15**(6): 1149-1170.

Dzorgbo, D. B. (2001). Ghana in search of Development: The Challenge of Governance, Economic Management and Institution Building, Chippenham, Anthony Rowe Ltd.

Earhardt, D., M. Rekas, et al. (2011). "Water in Bucharest", View Point. Public Policy for the Private Sector. The World Bank FPD Note No. 326.

Easterby-Smith, M., R. Thorpe, et al. (2008). Management Research. Third Edition. London, Sage.

Edigheji, O. (2008). "Introduction: Public Sector Reforms and the Quest for Democratic Developmentalism in Africa", Africa Development XXXIII(4): 1-13.

Eisenhardt, K. M. (1989). "Building theories from case study research", Academy of Management Review **14**: 532-550.

Eliassen, K. A. and N. Sitter (2008). Understanding Public Management. London, Sage.

Elron, E., B. Shamir, et al. (1999). "Why Don't They Fight Each Other? Cultural Diversity and Operational Unity in Multinational Forces", Armed Forces & Society **26**(1): 73-97.

Esping-Andersen, G. (1990). The Three Worlds of Welfare Capitalism. Princeton, NJ, Princeton University Press.

Estrin, S. (1994). Privatisation in Central and Eastern Europe. London, Longman.

Eymeri-Douzans, J. M. and J. Pierre (2011). Administrative Reforms and Democratic Governance. London, Routledge.

Falconer, P. K. and K. McLaughlin (2000). Public-Private Partnerships and the 'New Labour' Government in Britain. Public-Private Partnerships: Theory and practice in international perspective. S. P. Osborne. London, Routledge.

Farmer, D. J. (2014). "Economic Theory and the Big Economy", Public Administration Quarterly **38** (1): 97-124, spring.

Farnham, H. and S. Horton (1993). Managing the New Public Services. Basingstoke, Macmillan Press Ltd.

Fatoki, M. (2007). "Patients Choice in Health Care in England and Sweden", Public Administration **85**(4): 1059-1075.

Fenwick, J. and J. Gibbon (2015). "Localism and the third sector: New relationships of public service?" Public Policy and Administration 30, Doi: 10.1177/0952076715610413.

Fenwick, J. and J. McMillan (2010). Public Management in the postmodern era: Challenges and Prospects. Cheltenham, Edward Elgar.

Ferlie, E. and K. J. Geraghty (2005). Professionals in Pubic Services Organisation: Implications for Public Sector Reforming. The Oxford Handbook of Public Management. E. Ferlie, L. E. Lynn and C. Pollitt. Oxford, Oxford University Press.

Ferlie, E. and Lynn, L. E. et al., Eds. (2005). The Oxford Handbook of Public Management. Oxford, Oxford University Press.

Fieldhouse, D. K. (1986). Black Africa 1945-80: Economic Decolonisation and Arrested Development. London, Unwin Hyman Ltd.

Fielding, N. (1988a). Joining Forces: Police Training, Socialization and Occupational Competencies. London Routledge.

Flick, U. (2006). An Introduction to Qualitative Research. Third Edition. London, Sage.

Flinders, M. (2010). Splintered logic and political debate. International handbook on public-private partnerships. G. A. Hodge, C. Greve and A. Boardman. Cheltenham, Edward Elgar.

Flynn, N. (2000). Managerialism and Public Services: Some International Trends. Public Sector Management (2000). Fourth Edition. N. J. Flynn. London, Prentice Hall.

Flynn, N. (2007). Public Sector Management, Fifth Edition. London, Sage.

Flyvbjerg, B. (2001). The power of example, from Flyvbjerg, Bent [translated by S. Sampson]. Making social science matter: why social inquiry fails and how it can succeed again. pp 66-87, 178-182. Cambridge, Cambridge University Press.

Fontana, A. and J. H. Frey (1994). Interviewing: The Art of Science. Handbook of qualitative research. N. K. Denzin and Y. S. Lincoln. Thousand Oaks, CA, US, Sage Publications.

Fosu, A. K. (2009). "Inequality and the impact of growth on poverty: comparative evidence for sub-Saharan Africa", Journal of Development Studies **45**(5): 726-745.

Frankfort-Nachmias, C. and D. Nachmias (1996). Research methods in the social sciences, Duffield, Worth Publishers.

Frederickson, H. G. (1997). The Spirit of Public Administration. San Francisco, Jossey-Bay.

Fredman, S. and G. Morris (1989). The State as Employer: Labour Law in the Public Services. London, Mansell.

French, P. (2009). "Employment Laws and the Public Sector Employer: Lessons to be learned from a Review of Lawsuits Filed against Local Governments", Public Administration Review **69**(1): 92-103.

Friedman, M. (1962). Capitalism and Freedom. Chicago, University of Chicago Press.

Friedman, M. (1970). "A Theoretical Framework for Monetary Analysis”, Journal of Political Economy **78**(2): 210.

Frimpong-Ansah, J. (1991). The Vampire State in Africa: The Political Economy of Decline. UK, James Currey Ltd.

Fuest, V. and S. A. Haffner (2007). "PPP- Policies, Practices and Problems in Ghana’s urban water supply", Water Policy **9**: 169-192.

Fung, A. and E. O. Wright (2003). Deepening Democracy: Institutional Innovations in Empowered Participatory Governance. London, Verso Books.

Gardiner, K. (1996). Managing in Different Cultures: The case of Ghana. Handbook of Human Resource Management, pp 488-510. B. Towers. Oxford, Blackwell.

Gaventa, J. (2006). Triumph, Deficit or Contestation? Deepening the Deepening Democracy Debate, Institute of Development Studies (IDS) Working Paper 264 July.

Gayi, S. K. (1995). Adjusting to the social costs of adjustment in Ghana: Problems and prospects. The European Journal of Development Research. The European Journal of Development Research, 7(1), 77-100.

Gelfand, D. E. and R. D. Lee (1973). Ethnic Conflicts and Power: A Cross-National Perspective New York, John Wiley & Sons.

Ghana News Agency (2013). Four Persons interdicted in expired aluminium sulphate saga. Ghana News Agency. Wednesday, 13th March, Accra, GNA.

Ghana Water Company Limited (2004). Management Contract for Urban Water. Accra, GWCL. Draft 1.

Ghana Statistical Service (2000). Government of Ghana, Accra, Ghana Statistical Service.

Ghana Statistical Service (2008). Ghana Living Standard Survey: Report of the Fifth Round (GLSS 5). Accra, Ghana Statistical Service.

Ghana Statistical Service (2012). 2010 Population and Housing Census: Summary Report of Final Results. Accra, Ghana Statistical Service.

Gilbert, N. (2003). Researching Social Life. Second Edition London, Sage.

Gilbert, N. (2008). Researching Social Life. Third Edition London, Sage.

Gill, J. and P. Johnson (2002). Research Methods for Managers. Third Edition. London, Sage.

Gill, J. and P. Johnson (2010). Research Methods for Managers. Fourth Edition. London, Sage.

Glaser, B. B. G. and A. L. Strauss (1967). The Discovery of Grounded Theory: Strategies for Qualitative Research. New York, Aldine.

Glass, G. and McGraw, B. et al. (1981). Meta-analysis in Social Research. London, Sage.

Glenister, S. (2013). Public sector privatisation leads to increased exploitation of workers. Institute of Employment Rights (IER), April.

Godoy, J. (2008). Is the Water Privatisation Trend Ending? Transnational Institute (TNI). Inter Press Service, June 30. Paris.

Goldfinch, S. and J. Wallis (2010). "Two Myths of Convergence in Public Management Reform", Public Administration **88**(4): 1099-1115.

Goldsmith, M. J. and E. C. Page (1997). Farewell to the British State? Public Sector Reforms: Rationale, Trends and Problems. J. E. Lane. London, Sage.

Gollan, P. J. and A. Wilkinson (2007). "Contemporary developments in information and consultation", International Journal of Human Resource Management **18**(7): 1133-1144.

Gomes, E., B. R. Barnes, et al. (2014). "A 22 year review of strategic alliance research in the leading management journals", International Business Review.

Gomes, E., D. N. Angwin, et al. (2013). "Critical Success Factors through the Mergers and Acquisitions Process: Revealing Pre-and Post-M&A Connections for Improved Performance", Thunderbird International Business Review **55**(1): 13-35.

Gomes, E., M. Cohen, et al. (2011). "When two African cultures collide: A study of interactions between managers in a strategic alliance between two African organisations", Journal of World Business **46**(1): 5-12.

Gomes, E. and P. Montanheiro (2011). “The Role and Importance of Public-Private Partnerships in the Industrialisation Process of Angola”, XII Jonadas Tecnico Cientificas da Fundacao Eduardo dos Santos (Angola's President Foundation): Industrialisation in the Current Context of Angola's Development Process, 20-23 September, Assembleia Nacional (Parliament), Luanda-Angola.

Gomes, E., S. Sahadev, et al. (2015). "A comparison of international HRM practices by Indian and European MNEs: evidence from Africa", The International Journal of Human Resource Management **26**(21): 2676-2700.

Gomes, E., K. Mellahi, et al. (2015a). "Perceptions of justice and organisational commitment in international mergers and acquisitions", International Marketing Review inPress.

Goubert, J. P. (1986). The Conquest of Water. Princeton NJ, Princeton University Press.

Government of Ghana (1995). Ghana – Vision 2020: The First Step, 1996-2000. Accra: Assembly Press.

Government of Ghana (1996-2001). Strategic Framework: Civil Service Performance Improvement Project. Part 1. Office of Head of Civil Service. Accra-Ghana.

Government of Ghana (2005). Management Contract for Ghana Urban Water between Ghana Water Company Limited and Vitens Rand Water Services BV Aqua Vitra Limited, Accra, Ghana.

GPRS (2003). The Ghana Poverty Reduction Strategy (2003-2005). Accra, Government of Ghana, February.

Greener, I. (2013). Public Management. Basingstoke, Palgrave MacMillan.

Greenstreet, D. K. (1973). "Public Corporations in Ghana during the Nkrumah's Period (1951-66)", Africa Review. Journal of African Political Development and International Affairs **3**(1).

Greenwood, J. and Pyper, R. et al. (2002). New Public Administration in Britain. Third Edition, London, Routledge.

Greve, C. and G. Hodge (2007). Public-Private Partnerships: A Comparative Perspective on Victoria and Denmark. Transcending New Public Management: The Transformation of Public Sector Reforms. T. Christensen and P. Lægreid. Surrey, Ash gate.

Grimshaw, D. and Vincent, S. et al. (2002). "Going privately: Partnership and outsourcing in UK public services", Public Administration **80**(3): 475-502.

Gruening, G. (2001). "Origin and Theoretical Basis of New Public Management”, International Public Management Journal **4**: 1-25.

Guba, E. G. and Y. S. Lincoln (1994). Competing paradigms in qualitative research: Handbook of qualitative research. Thousand Oakes: CA, Sage.

GWCL (1999 – 2004). Official Statistics. Accra, Ghana Water Company Limited (GWCL).

GWCL (2000). Water News. Accra, GWCL.

GWCL (2008). North West District, Customer Billed Reports 2008. Accra, GWCL.

GWSC (1993). Ghana Water and Sewerage Corporation: Policies and Procedures Manual. (Administration) Accra: Ghana GWSC.

Gyimah-Boadi, E. (1991). State Enterprises and divestiture: recent Ghanaian experiences’. Ghana: the political economy of recovery. R. D. Rothchild. Boulder, CO: Lynne Rienner.

Gyimah-Boadi, E. (2003). Ghana: The political economy of ‘successful ‘ethnoregional conflict management” in Can Democracy be Designed? In S. Bastian, & R. Luckham, The Politics of Institutional Design in Conflict-torn Societies, London: Zed Books.

Hadley, R. and K. Young (1990). Creating a Responsive Public Service. Hemel Hempstead, Harvester Wheatsheat.

Hailey, J. (2000). NGOs partners: The characteristics of effective development partnerships. Public-Private Partnerships: Theory and practice in international perspective. S. P. Osborne. London, Routledge.

Halcrow, S. W. & Partners (1995). Consultancy Services for the restructuring of the water sector. Ministry of Works and Housing Accra, Swindon / Wiltshire. Final Report.

Hall, P. A. and D. Gingerich (2009). "Varieties of Capitalism and Institutional Complementarities in the Political Economy: An Empirical Analysis", British Journal of Political Science **39**: 449-482.

Hall, P. A. and D. Soskice (2001). Varieties of Capitalism: Institutional Foundations of Comparative Advantage. Cambridge, U.A, Cambridge University Press.

Hallen, B. (2005). African Philosophy: An analytical approach. Trenton, NJ, Africa World Press.

Halligan, J. (2015). Anglophone Systems: Diffusion and Policy Transfer within an Administrative Tradition. Comparative Civil Service Systems in the 21st Century. F. M. Van der Meer, J. C. Raadschelders, N. and T. A. J. Toonen. Basingstoke, Palgrave Macmillan.

Halligan, J. (2007). "Reintegrating Government in Third Generation Reforms of Australia and New Zealand", Public Policy and Administration **22**(2): 217-238.

Halligan, J. (1997). New Public Sector Models: Reform in Australia and New Zealand. Public Sector Reforms: Rationale, Trends and Problems. J. E. Lane. London, Sage.

Halligan, J. and J. Power (1992). Political Management. Melbourne, Oxford University Press.

Hamark, J. and C. Thornqvisk (2006). Liberalisation, Privatisation and Regulation in the Swedish Local Public Transport Sector. Pique, Goteborg, Goteborgs Universitet.

Hammersley, M. (1992). What's Wrong with Ethnography? London, Routledge.

Hammersley, M. (2007). Ethnography: principles in practice. Third Edition. New York, Routledge.

Hanjra, M. A. and F. Gichuki (2008). "Investments in agricultural water management for poverty reduction in Africa: Case studies of Limpopo, Nile, and Volta river basins", Natural Resources Forum **32**(3): 185–202.

Hanlon, J. (2000). "How Much Debt Must Be Cancelled?" Journal of International Development **12**: 877-901.

Hanlon, J. (2004). "Do donors promote corruption? The case of Mozambique", Third World Quarterly **25**(4): 747-763.

Hardy, C. and Phillips, N. et al. (2003). "Resources knowledge and influence: the organisation effects of inter-organisational collaboration", Journal of Management Studies **40**: 321-347.

Harris, R. and A. Seldon (1987). Welfare without the State: A Quarter-Century of Suppressed Public Choice. London, The Institute of Economic Affairs.

Haruna, P. F. and L. A. Kannae (2013). "Connecting Good Governance Principles to the Public Affairs Curriculum: The Case of Ghana Institute of Management and Public Administration", Journal of Public Affairs Education **19**(3): 493-515.

Harvey, P. A. (2007). "Community-managed water supplies in Africa: sustainable or dispensable?" Community Development Journal 43(3): 365-378.

Harvey, D. (2005). A Brief History of Neoliberalism. Oxford: Oxford University Press.

Hatch, J. M. and A. L. Cunliffe (2006). Organisation Theory: Modern, Symbolic and Postmodern Perspectives. Second Edition, Oxford, Oxford University Press.

Hayek, F. A. (1994). The Road to Serfdom. London, Routledge.

Helmke, G. and S. Levitsky (2004). "Informal Institutions and Comparative Politics: A Research Agenda", Perspectives on Politics **2**(4): 725-740.

Hermann, C. and J. Flecker (2011). "The liberalisation of public services: Company reactions and consequences for employment and working conditions", Economic and Industrial Democracy **32**(3): 523-544.

Hemerijck, A., R. Huiskamp, et al. (2005). Public Sector Reform under EMU: A Literature Review. Dublin, Eurofound.

Hewerdine, L. and C. Welch (2013). "Are international new ventures really new? A process study of organisational emergence and Internationalization", Journal of World Business 48(4): 466–477.

Hodge, G. and C. Greve (2005). The Challenge of Public-Private Partnerships: Learning from International Experience. Cheltenham, Edward Elgar.

Hofstede, G. (1980). "Motivation, Leadership and Organisation: Do American Theories Apply Abroad?" Organisational Dynamics 9(1): 42-63.

Hoggett, P. (1991). "A New Public Management in the Public Sector?" Policy and Politics. 19(4): 243-256.

Holstein, J. A. and J. F. Gubrium (2011). The Constructionist Analytics of Interpretivist Practice. The Sage Handbook of Qualitative Research. Fourth Edition. N. Denzin and Y. S. Lincoln. Thousand Oaks, CA, Sage.

Hood, C. (1991). "A Public Management for all Seasons?" Public Administration Review **69** (1): 3-19.

Hood, C. (1998). The Art of the State: Culture, Rhetoric and Public Management. Oxford, Oxford University Press.

Hood, C. (2007). "Public Service Management by Numbers: Why Does it Vary? Where has it come from? What Are the Gaps and the Puzzles?" Public Money and Management 95-102, April.

Hood, C. and R. Dixon (2013). "A Model of Cost-Cutting in Government? The Great Management Revolution in UK Central Government Reconsidered", Public Administration **91**(1): 114-134.

Hood, C. and G. B. Peters (2004). "The Middle Aging of New Public Management: Into the age of paradox", Journal of Public Administration Research and Theory **14**(3): 267-282.

Hope, K. R. (1997). African Political Economy: Contemporary Issues in Development. Armonk, New York, M. E. Sharpe

Hope, K. R. (2001). Development policy and Management in Africa. Gaborone, Center of Specialisation in Public Administration and Management, University of Botswana.

Hope, K. R. (2002). The New Public Management: A Perspective from Africa in (eds.) New Public Management: Current Trends and Future Prospects. K. McLaughlin, S. P. Osborne and E. Ferlie. London and New York, Routledge.

Hope, K. R. and B. C. Chikulo (1999). Corruption and development in Africa: Lessons from country case-studies. London, Macmillan.

Horowitz, D. L. (1985). Ethnic groups in conflict. London, University of California Press.

Horwitz, F. M. (2012). "Evolving human resource management in Southern African multinational firms: towards an Afro-Asian nexus", The International Journal of Human Resource Management **23**(14): 2938-2958.

Horwitz, F. M. and Kamoche, K. et al. (2002). "Looking east: Diffusing high performance work practices in Southern Afro-Asian Context", The International Journal of Human Resource Management **13**: 1019-1041.

House, R. J. and R. N. Aditya (1997). "The social scientific study of leadership: Quo Vadis?" Journal of Management **23**: 409-473.

Howard, A. (1999). When the People Decide: A Study of the Independence Movement in Ghana, African Diaspora Collection.

Howard, R. (1978). Colonialism and Underdevelopment in Ghana. London, Croom Helm.

Huang, X. and C. Renyong (2014). "Chinese Private Firms' Outward Foreign Direct Investment: Does Firm Ownership and Size Matter?" Thunderbird International Business Review **56**(5): 393–406, September/October.

Hug, M. M. (1989). The Economy of Ghana: The First 25 Years since Independence, St. Martin's Press.

Hughes, J. A. (1990). Philosophy of Social Research. 2nd Edition. New York, Longman.

Hughes, J. A. and W. W. Sharrock (1997). Philosophy of Social Research. Third Edition. New York, Longman.

Hunt, A. R. (2011). The Right Moves, but the Wrong Words. New York Times September 11.

Hutchful, E. (2002). Ghana’s Adjustment Experience: The Paradox of Reform Accra, Ghana: United Nations Research Institute for Social Development, James Currey and Woeli Publishing Services.

Huxham, C. and S. Vangen (2000). What makes partnership work? Public-Private Partnerships: Theory and practice in international perspective. S. P. Osborne. London, Routledge.

Hymer, S. H. (1970). "Economic Forms in Pre-Colonial Ghana", Journal of Economic History **30**(1: The Tasks of Economic History): 33-50.

Hyden, G. (1983). No Shortcuts to Progress. London: Heinemann.

Hyden, G. (2006). Beyond Governance: Bringing Power into Policy Analysis. Forum for Development Studies, 33(2): 215-236.

Hyden, G. (2007). Governance and poverty reduction in Africa. PNAS, 104(43).

Ibsen, C. L., T. P. Larsen, et al. (2013). "Challenging Scandinavian employment relations: the effects of new public management reforms", The International Journal of Human Resource Management **22**(11): 2295-2310.

International Fact Finding Mission (2002). Report of the International Fact-Finding Mission on Water Reforms in Ghana. Accra: Ghana.

IMF. (2000). Globalisation: Threat or Opportunity? International Monetary Fund: Washington, D.C.

IRIN (2003). Guinea: Water and power shortages blamed on drought. 5 June, IRIN News.

IRIN (2005). Guinea: Water, water everywhere but not a drop to drink, 13 October 2005, IRIN News.

Ironside, M. and R. Seifert (2004). "The impact of privatisation and the marketisation on employment conditions in the public services", Radical Statistics **86**: 57-71.

Irvin, R. A. and J. Stansbury (2004). "Citizen Participation in Decision Making: Is It Worth the Effort?" Public Administration Review **64**(1): 55–65, February.

Isaac, T. M. and P. Heller (2003). Democracy and Development: Decentralised Planning in Kerala. Deepening Democracy: Institutional Innovations in Empowered Participatory Governance, The Real Utopia Project IV. London, Verso.

Isaac-Henry and Painter, K. C. et al. (1997). Management in the Public Sector: Challenge and Change. London, International Thomson Business

Iyer, L. (2010). Direct versus Indirect Colonial Rule in India: Long-Term Consequences. Review of Economics and Statistics, 92(4), 693-713.

Jackson, P. M. (1982). The Political Economy of Bureaucracy. Oxford, Philip Allan.

Jackson, P. (2001). Making sense of qualitative data. Qualitative methodologies for geographers: issues and debates. M. Limb and C. Dwyer. London, Arnold

Jackson, P. M. (2003). The Size and Scope of the Public Sector: An International Comparison. Public Management and Governance. T. Bovaird and E. Loffler. London, Routledge.

Jackson, P. M. and A. Palmer (1993). Developing Performance Monitoring in Public Service Organisations. Management Centre, University of Leicester.

Jackson, P. M. and C. M. Price (1994). Privatisation and regulation: A review of the issues. London, Longman.

Jackson, T. (2002a). International HRM: A cross-cultural approach. London, Sage.

Jackson, T. (2002b). "The management of people across culture: Valuing people differently", Human Resource Management **41**(4): 455-475.

Jackson, T. (2004). Management and change in Africa: a cross-cultural perspective. New York, Routledge.

Jackson, T., K. Amaeshi, et al. (2008). "Untangling African indigenous management: Multiple influences on the success of SMEs in Kenya", Journal of World Business **43**: 400-416.

Jackson, T. (2011). "From cultural values to cross-cultural interfaces: Hofstede goes to Africa", Journal of Organisational Change Management **24**(4): 532-558.

Jackson, T. (2012a). "Cross-cultural management and the informal economy in sub-Saharan Africa: implications for organisation, employment and skills development", The International Journal of Human Resource Management **23**(14): 2901-2916.

Jackson, T. (2012). "Post colonialism and organisational knowledge in the wake of China’s presence in Africa: interrogating South-South relations", Organisation **19**(2): 181-204

Jefferis, K. (1994). Public enterprise and privatisation in Botswana. International Privatisation: Strategies and practices. K. Jefferis. New York, Thomas Clarke.

Jhatial, A. A., N. Cornelius, et al. (2013). "Rhetoric and realities of management practices in Pakistan: Colonial, post-colonial and post-9/11 influences", Business History.

Johnsen, A. (2005). "What does 25 years of experience tell us about the state of performance measurement in public policy and management?" Public Money and Management **25**(1): 9-17.

Johnson, B. and L. Christensen (2010). Educational Research: Quantitative, Qualitative, and Mixed Approaches. 4th ed. London, Sage Publications.

Johnson, P., A. Buehring, et al. (2006). "Evaluating qualitative management research: Towards a contingent criteriology", International Journal of Management Review **8**(3): 132-156.

Johnson, P. and J. Duberley (2000). Understanding Management Research. London, Sage.

Johnson, P. and J. Duberley (2015). "Inductive Praxis and Management Research: Towards a Reflexive Framework", British Journal of Management 00: 1-17.

K’ Akumu, O. A. (2006). "Privatisation model for water enterprise in Kenya", Water Policy 8: 539-557.

Kamoche, K. (1992). "Human resource management: An assessment of the Kenyan case", International Journal of Human Resource Management **3**(3): 497-521.

Kamoche, K. (2011). "Contemporary developments in the management of human resources in Africa", Journal of World Business **46**(1-4).

Kanaja, R. (2002). New IMF loan conditions will raise water fees in Ghana. Third World Network. No.276 (1-5 March).

Kay, G. B. (1972). The political economy of colonial Ghana: a collection of documents and statistics 1900-1960. Cambridge, Cambridge University Press.

Kayizzi-Mugerwa, S. (2002). Privatisation in sub-Saharan African. On Factors Affecting Implementation. United Nations University, World Institute for Development Economics Research. Discussion Paper No. 20002/12.

Kerf, M. (1998). “Concessions for infrastructure: A guide to their design and award”, Technical papers No. 399. Washington, World Bank.

Khilji, S. (2003). "To Adapt or Not to Adapt: Exploring the role of national culture in HRM", The International Journal of Cross-Cultural Management **3**(2): 121-144.

Kickert, W. J. M. (1997). Public Management and Administrative Reform in Eastern Europe. Cheltenham, UK, Edward Eldar.

Kiggundu, M. N. (1991). "The challenges of management development in sub-Saharan Africa", Journal of Management Development **10**(6): 32-47.

Killick, T. (1978). Development Economics in Action: a study of economic policies in Ghana. London, Heinemann.

Killick, T. (1983). "The role of the public sector in the industrialisation of African developing countries", Industry and Development (UNIDO) **7**: 57-88.

Kim, S. (2002). "Participative Management and Job Satisfaction: Lessons for Management Leadership", Public Administration Review **62**(2): 231–241, March/April.

Kimemia, P. (2000). An Overview of the Performance ofthe East African Economies since 1985: Implications for the New Initiatives of East African Co-operation. African Sociological Review, 4(1): 119-137.

Kirkpatrick, C., D. Parker, et al. (2004). State versus Private Sector Provision of Water Services in Africa: An Empirical Analysis. Paper provided by University of Manchester, Institute for Development Policy and Management (IDPM) in its series Centre on Regulation and Competition (CRC) Working papers with number 30604.

Kirkpatrick, C., D. Parker, et al. (2006). "An empirical analysis of state and private-sector provision of water services in Africa”, World Bank Economic Review **20**(1): 143-163.

Kitonsa, W. and K. Schwartz (2012). "Commercialisation and centralisation in the Ugandan and Zambian water sector", International Journal of Water **6**(3/4): 176-194.

Kjellberg, A. (2008). Union Density and Specialist/Professional Unions in Sweden. Paper presented at International Workshop, European Trade Unionism in Transition? Berlin, 9-10 September.

Kleemeier, E. (2002). Rural Water Reform in Ghana: A Major Change in Policy and Structure. Water and Sanitation Program, Africa Region. Field Notes 2. August.

Klijn, E. H. and G. R. Teisman (2000). Governing public-private partnerships: Analysing and managing the processes and institutional characteristics of public-private partnerships. Public-Private Partnerships: Theory and practice in international perspective. S. P. Osborne. London, Routledge.

Klijn, E. H. and G. R. Teisman (2003). "Institutional and strategic barriers to public-private partnership: an analysis of Dutch cases", Public Money and Management **7**: 7-146.

Kolderie, T. (1986). "Two Different Concepts of Privatisation", Economic Journal **46**(4): 285-291.

Kolk, A. (2015). "The social responsibility of international business: From ethics and the environment to CSR and sustainable development", Journal of World Business **51**(1): 23–34.

Konadu‐Agyemang, K. (2000). The best of times and the worst of times: structural adjustment programs and uneven development in Africa: the case of Ghana. The Professional Geographer, 52(3): 469–483.

Konig, K. (1996). On the critique of the New Public Management. Speyer 155, Speyerer Forshungsberichte.

Koppenjan, J. F. M. and B. Enserink (2009). "Public–Private Partnerships in Urban Infrastructures: Reconciling Private Sector Participation and Sustainability", Public Administration Review **69**(2): 284-296, March / April.

Lamin, A. and G. Livanis (2013). "Agglomeration, catch-up and the liability of foreignness in emerging economies", Journal of International Business Studies **44**: 579–606.

Lane, J. E. (1995). The Public Sector: Concepts, Models and Approaches. London, Saga.

Lane, J. E., Ed. (1997). Public Sector Reform: Rationale, Trends and Problems. London, Sage.

Lane, R. E. (2000). The loss of Happiness in Market Democracies. New Haven, Yale University Press.

Larbi, A. G. (2006). "New Public Management as a Template for Reforms in Low-Income Countries: Issues and Lessons from Ghana", International Journal of Organisation Theory and Behaviour **9**(3): 378-407.

Larbi, G. A. (1999). The New Public Management Approach and Crisis States. Discussion Paper 112. Geneva: United Nations Research Institute for Social Development.

Larbi, A. G. (1998). Implementing New Public Management Reforms in Ghana: Institutional Constraints and Capacity issues. Cases from Public Health and Water Services. PhD Thesis, Library: University of Birmingham.

Lawrence, T. and Phillips, N. et al. (1999). Towards a relational theory of organisational collaboration. Global Management: Universal theories and local realities, pp. 246-264. S. Clegg, E. Ibarra-Colado and L. Bueno-Rodriquez. London, Sage.

Leeuw, F. L. (1996). "Performance auditing, new public management and performance improvement: questions and answers”, Accounting, Auditing and Accountability Journal **9**(2): 92-102.

Leith, J. C. (1996). Ghana: Structural Adjustment Experience. International Center for Economic Growth Publication.

Leith, J. C. and L. Soderling (2003). Ghana-Long Term Growth, Atrophy and Stunted Recovery. Nordiska Afrikainsttutet, Research Report No. 125.

Lensik, R. (1996). Structural Adjustment in Sub-Saharan Africa. London, Longman.

Lewis, J. D. (2002). Partnerships for Profit: Structuring and Managing Strategic Alliances. New York, Free Press.

Lincoln, Y. S. and E. G. Guba (1985). Naturalistic inquiry. Beverly Hills, CA, Sage.

Linder, S. (2000). Coming to terms with the Public-Private partnerships: a grammar of multiple meanings. Public-Private Policy Partnerships. P. Rosenau. Westwood: MA, Massachusetts Institute of Technology.

Lindsay, C., Commander, et al. (2014). "‘Lean’, new technologies and employment in public health services: employees' experiences in the National Health Service", The International Journal of Human Resource Management **25**(21): 2941-2956.

Liu, S. M. and Q. Yuan (2015). "The evolution of information and communication technology in public administration", Public Administration and Development **35**(2): 140–115.

Loftus, A. J. and D. McDonald (2001). "Of liquid dreams: a political ecology of water privatisation in Buenos Aires", Environment and Urbanization **13**(2): 179-200.

Lowndes, V. and H. Sullivan (2004). "Like a Horse and Carriage or a Fish on a Bicycle: How Well do Local Partnerships and Public Participation go together?" Local Government Studies 30(1): 51-73.

Lucio, M. M. and S. Mustchin (2013).Training and workplace skills in the context of globalization: new directions and discourses in skills. International Human Resource Management: An Employment Relations Perspective. M. L. Martinez. London, Sage.

Luo, Y. (2005). "How important are Shared Perceptions of Procedural Justice in cooperative Alliances", Academy of Management Journal 48(4): 695-709.

Luo, Y. (2007). "The independent and interactive roles of procedural, distributive, and interactional justice in strategic alliances", Academy of Management Journal 50(3): 644-664.

Mackintosh, M., Ed. (1998). Public management for social exclusion. Beyond the New Public Management: Changing Ideas and Practices in Governance. Cheltenham, Edward Edgar.

Maguire, S. and Phillips, N. et al. (2001). "When ‘silence=death’, keep talking: Trust, control and the discursive construction of identity in the Canadian HIV/AID treatment domain", Organisation Studies **22**(2): 285-310.

MacLean, M. S. (2011). "Public Choice Theory and House of Lords Reform", Economic Affairs Volume 31(3): 46-48.

Maikish, A., & Gershberg, A. (2009). Targeting Education Funding to the Poor: Universal Primary Education, Education Decentralization and Local Level Outcomes in Ghana. Paper commissioned for the EFA Global Monitoring Report 2009, Overcoming Inequality: why governance matters. Unesco.org.

Majavu, A. (2009). South Africa, Cape Town: objections raised against ‘water cuts’ probe. Water, Sanitation and Hygiene (WASH), November 10.

Mangaliso, M. P. (2001). "Building competitive advantage from Ubuntu: Management lessons from South Africa ", Academy of Management Executives **15**(3): 23-32.

March, J. G. (1994). A Primer on Decision-making. New York, Free Press.

March, J. G. and J. P. Olsen (1989). Rediscovering Institutions. New York, Free Press.

Marilyn, E. G., A. G. Bavetta, et al. (1990). "Transfer Training Method: It’s Influence on Skill Generalisation, Skill Repetition, and Performance Level", Personnel Psychology **43**(3).

Marmenout, K. (2011). "Peer interaction in mergers: Evidence of collective rumination", Human Resource Management **50**: 783-808.

Marsh, D. (1992). The New Politics of British Trade Unionism. Basingstoke, Macmillan.

Marsh, D. and P. Furlong, Eds. (2002). A Skin Not a Sweater: Ontology and Epistemology in Political Science, Theory and Methods in Political Science, 2nd Ed. Basingstoke, Palgrave.

Marshall, J. (1976). "The State of Ambivalence: Right and Left Options in Ghana", Review of African Political Economy **5**(Jan-April).

Martin, S. and A. Boaz (2000). "Public Participation and Citizen-centred Local Government: Lessons from the Best Value and Better Government for Older People Pilot Programmes", Public Money and Management April-June: 47-53.

Martins, S. (2002). "The Modernization of U.K. Local Government", Public Management Review **4**: 201-307.

Maruyama, M. (1984). "Alternative concepts of management: Insights from Asia and Africa", Asia Pacific Journal of Management **1**(2): 100-111.

Marvin, S. and N. Laurie (1999). "An Emerging Logic of Urban Water Management, Cochabamba, Bolivia", Urban Studies **36**(2): 341-357.

Mascio, F. D., A. Natalini, et al. (2013). "The ghost of crises past: analyzing reform sequences to understand Italy's response to the global crisis", Public Administration **91**(1): 17-31.

Mason, J. (1996). Qualitative Researching. London, Sage.

Mason, J. (2011). Qualitative Researching. 2nd Edition, London, Sage.

Matsaganis, M. (2011). "The welfare state and the crisis: the case of Greece", Journal of European Social Policy 21(5): 501-512, December.

May, T. (1997). Social Research: Issues, Methods and Process. Second Edition. Buckingham, Open University Press.

May, T. (2001). Social Research: Issues, methods and process. Buckingham, Open University Press, Third Edition.

Mbigi, L. (1997). Ubuntu: African Dream in Management. Pretoria, Knowledge Resources.

Mbigi, L. (2005). The Spirit of African Leadership. Johannesburg, Knowledge Resources.

McCourt, W. and M. Minogue (2001). The Internationalization of Public Management: Reinventing the Third World State. Cheltenham, U.K., Edward Elgar. .

McDonald, D. and G. Ruiters (2006). Rethinking Privatisation: Towards a critical theoretical perspective. Amsterdam, Public Services Yearbook 2005/ 2006, Transnational Institute.

McLaughlin, J. L. and D. Owusu-Ansah (1994). The Politics of the Independence Movements. A Country Study: Ghana, Chapter 1: Historical Setting. L. V. Berry. US, Library of Congress Federal Research Division.

McLaughlin, K., S. P. Osborne, et al., Eds. (2002). New Public Management: Current Trends and Future Prospects. London and New York, Routledge.

McQuaid, R. W. (2000). The Theory of Partnership: Why have partnership? Public-Private Partnerships: Theory and practice in international perspective. S. P. Osborne. London, Routledge.

McSweeney, B. (2009). Dynamic Diversity: Variety and Variation within Countries. Organization Studies, 30(9): 933–957.

McSweeney, B. (2016). Collective cultural mind programming: escaping from the cage. Journal of Organizational Change Management, 29(1): 68-80.

Meardi, G. (2007). "More voice after more exit? Unstable industrial relations in Central Eastern Europe", Industrial Relations Journal **38**(6): 503–523, November.

Melly, B. and P. K. Puhani (2013). "Do public ownership and lack of competition matter for wages and employment? Evidence from personnel records of a privatised firm", Journal of the European Economic Association 11(4): 918-944.

Meng, J. (2004). "Ghana’s Development: Miracle or Mirage?" History 107(December 6).

Merrick, R. (2011). Fears over 'cherry-picking' in public services shake-up. Daily Post. Liverpool, England Daily Post, Jul 12.

Meth, P. and K. McClymont (2009). "Researching men: the politics and possibilities of a qualitative mixed-methods approach", Social and Cultural Geography 10(8): 909-925.

Meyers, M. C. and M. Van Woerkom (2014). "The influence of underlying philosophies on talent management: Theory, implications for practice, and research agenda", Journal of World Business 49(2): 192–203.

Milburn, J. (1977). British Business and Ghanaian Independence. London, C. Hurst & Company.

Miles, M. B. and A. M. Huberman (1984). Qualitative Data Analysis: A Sourcebook of New Methods. London, Sage.

Miles, M. B. and A. M. Huberman (1994). Qualitative Data Analysis: An Expanded Sourcebook, Second Edition London, Sage.

Milkman, R. (2013). "Back to the Future? US Labour in the New Gilded Age", British Journal of Industrial Relations **51**(4): 645–665.

Minnick, E. K. (1990). Transforming Knowledge. Philadelphia, Temple University Press.

Minogue, M. (1998). Changing the State: Concepts and Practice in the Reform of the Public sector. Beyond the New Public Management: Changing Ideas and Practices in Governance. M. Minogue, C. Poildano and D. Hulme. Cheltenham, Edward Elgar**:** 17-37.

Mitchell, W. C. (1988). Government As It Is. London, The Institute of Economics Affairs.

Mooney, G. and L. Poole (2005). "Marginalised voices: resisting the privatisation of council housing in Glasgow", Local Economy **20**(1): 27-39.

Moore, M. H. (1995). Creating public value: strategic management in government. USA, Harvard University Press.

Moran, R. T. and Harris, P. R. et al. (2011). Managing Cultural Differences: Global Leadership Strategies for Cross-Cultural Business Success. Oxford, Elsevier Inc.

Morgan, D. and R. Zeffaneb (2003). "Employee involvement, organisational change and trust in management", The International Journal of Human Resource Management **14**(1): 55-75.

Morley, L., Leach, F., & Lug, R. (2009). Democratising higher education in Ghana and Tanzania: Opportunity structures and social inequalities. International Journal of Educational, 29(1), 56–64.

Mouraviev, N. and N. K. Kakabadse (2010). "Conceptualising public-private partnerships: A critical appraisal of approaches to meanings and forms", Society and Business Review **7**(3): 260-276.

Moynihan, D. P. (2005). "Goal-Based Learning and the Future of Performance Management", Public Administration Review **65**(2): 203–216, March.

Multinational Monitor (2002). The Government of Ghana Responds. Washington 23 Issue 9. p. 20.

Muñoz-Bullón, F. and M. J. Sánchez-Bueno (2011). "Does downsizing improve organisational performance? An analysis of Spanish manufacturing firms", The International Journal of Human Resource Management **22**(14): 2924-2945.

Mueller, D. (1979). Public Choice. Cambridge, Cambridge University Press.

Mueller, D. C. (1987). The Corporation: Growth, Diversification and Mergers. London, Routledge.

Mueller, D. C. (2012). "Gordon Tullock and Public Choice", Public Choice **152: 47-60**.

MWH & CWSA (2004). Legal and Institutional Framework study. Final Report by Maxwell Opoku-Agyemang, EVORAPGTZ. Unpublished document, June. Accra

MWH (1999). Republic of Ghana, Comprehensive Development Framework: Water. Unpublished document. MWH, Accra.

MWH (2002). Water Sector Restructuring in Ghana (Including Private Sector Participation): The decision, the framework, and the issues. Accra, Ministry of Works and Housing.

Napier, N. K. (1989). "Mergers and acquisitions, human resources issues and outcomes: A review and suggested typology", Journal of Management Studies **26**: 271-290.

Narsiah, S. (2013). "Neoliberalism as spatial fix: An example from South Africa", Geoforum **45**: 136-144.

NCAP (2003). "The Accra Declaration on the Right to water”. Accra: Ghana.

Nesbitt, N. (2012). Revolutionary inhumanism: Fanon’s De la violenc. International Journal of Francophone Studies, 15(3&4 ).

Newbury, C. W. (1971). "Credit in Nineteenth Century West African Trade", Journal of African History **13**(1).

Newell, S. and J. Swan (2000). "Trust and inter-organisational networking", Human Relations **53**(10): 1287-1328.

Nickson, A. (2011). Where is Local Government Going in Latin America? A Comparative Perspective. Sweden, Visby, Swedish International Centre for Local Democracy, Working Paper 6.

Nickson, A. and C. Vargas (2002). The limitations of water regulation: The failure of the Cochabamba concession in Bolivia, Bulletin of Latin American Research, Wiley Online Library.

Nielsen, P. A. (2013). "Performance Management, Managerial Authority, and Public Service Performance", Journal of Public Administration Research & Theory **24**(2): 431-458.

Nii Consult (2003). Study on Provision of Services provided by GWCL – Final Report, Unpublished document, Accra.

Nikandrou, I. and Papalexandirs, N. et al. (2000). "Gaining employee trust after acquisition", Employee Relation **22**: 334-355.

Niskanen, W. (1968). "Non-market decision-making: the peculiar economics of bureaucracy", American Economic Review **58**: 293-305.

Niskanen, W. (1971). Bureaucracy and Representative Government. Chicago, Aldine-Atherton.

Niskanen, W. (1973). Bureaucracy: Servant or Master. London, Institute of Economic Affairs.

Nkomo, S. M. (2006). Images of 'African leadership and management' in organisation studies: tensions, contradictions and revisions, Inaugural Lecture presented in the University of South Africa, Pretoria.

Nolan, P. (2011). "Money, market, meltdown: The 21st century crisis of labour", Industrial Relations Journal **42**(1): 2-17.

Noll, R., M. M. Shirley, et al. (2000). Reforming urban water systems in developing countries. Economic Policy Reform: The second Stage. University of Chicago Press, Chicago.

Norris, P. (2003). Is there still a public sector ethos? Work values, experience and job satisfaction among government workers. For the People: Can We Fix Public Service? 72-89. J. D. Donahue and J. S. Nye. Washington, Brookings Institution’s Press.

North, D. C. (1990). Institutions, Institutional Change and Economic Performance. Cambridge, Cambridge University Press.

Nutley, S. and S. P. Osborne (1994). The Public Sector Management Handbook Essex: UK, Longman.

Nyambegera, S. M. (2002). "Ethnicity and human resources management practice in sub-Saharan Africa: The relevance of managing diversity discourse", International Journal of Human Resource Management **13**(7): 1077-1090.

O’Reilly, D. and M. Reed (2011). "The Grit in the Oyster: Professionalism, Managerialism and Leaderism as Discourses of UK Public Services Modernization", Organisation Studies. 32(8): 1079-1101.

O'Donnell, M. (1998). "Creating a Performance Culture? Performance-based Pay in the Australian Public Service", Australian Journal of Public Administration **57**(3): 28-40.

O'Donnell, M., J. O'Brien, et al. (2013). "New public management and employment relations in the public services of Australia and New Zealand", The International Journal of Human Resource Management **22**(11): 2367-2383.

OECD (1993). Public Management Developments: Survey, p: 13, Paris, OECD**:** 13.

OECD (2010a). “Country Statistical Profile: United States” in Country Statistical Profiles: Key Tables from OECD. Paris, OECD.

OECD (2010b). “Country Statistical Profile: United Kingdom” in Country Statistical Profiles: Key Tables from OECD. Paris, OECD.

OECD (2004). Policy Brief: Public Sector Modernization: Modernising Public Employment. Paris, OECD.

OECD (2005). Policy Brief: Paying for Performance: Policies for Government Employees. Paris, OECD.

OECD (2005b). Modernising Government: The Way Forward. Paris, OECD.

OECD (2003). Managing Decentralisation: A New Role for Labour Market Policy, OECD, Local Economic and Employment Development (Program). Paris, OECD Publishing, p 135.

Ogden, S. and F. Anderson (1995). "Representing Customers' Interests: The Case of the Privatised Water Industry in England and Wales", Public Administration **73**(4): 535–559.

Ohemeng, F. K. and F. Y. Owusu (2014). Beyond neoliberal public sector reform. By Charles Conteh, Ahmed Shafiqul Huque. C. Conteh and A. H. Huque. London, Routledge.

Ohemeng, F. K. (2010). "The dangers of internationalization and ‘one-size-fits-all’ in public sector management: Lessons from performance management policies in Ontario and Ghana", International Journal of Public Sector Management **23**(5): 456 - 478.

Ohemeng, F. K. and J. K. Grant (2006). "When markets fail to deliver: An examination of the privatisation and de-privatisation of water and wastewater services delivery in Hamilton, Canada", Canadian Public Administration. September **51**(3): 475-499.

Onjala, J. (2002). Good Intentions, Structural Pitfalls: Early lessons from urban water commercialisation attempts in Kenya, CDR Working Paper, Centre for Development Research. Copenhagen, January.

Opoku, D. K. (2010). The Politics of Government-Business Relations in Ghana, 1982-2008. New York, Palgrave Macmillan.

Osborne, D. and T. Gaebler (1992). Reinventing Government: How the Entrepreneurial Spirit is transforming the Public Sector. New York, Penguin.

Osborne, D. and P. Plastrik (1997). Banishing Bureaucracy. Reading, MA, Addison-Wesley.

Osei, A. (1999). Ghana: Recurrence and Change in a Post-Independence African State, Peter Lung Publishing.

Osei, G. M., & Brock, C. (2006). Decentralisation in education, institutional culture and teacher autonomy in Ghana. Journal of Education Policy, 21(4): 437-458.

Ostrom, V. and E. Ostrom (2002). Public Choice: A different approach to the study of public administration. Public Management: Critical Perspectives S. P. Osborne. London, Routledge.

Osumanu, K. I. (2008). "Private Sector Participation in Urban Water and Sanitation Provision in Ghana: Experiences from the Tamale Metropolitan Area", Environmental Management **42**: 102-110.

O'Toole, B. J. (1998). We Walk by Faith, Not by Sight: The Ethics of Public Service. Reforms, Ethics and Leadership in Public Service-A Festischrift in Honour of Richard A. Chapman, pp 84-102. H. Michael and B. J. O'Toole. Aldershot, Ash gate.

Pace, M. and F. Cavatorta (2012). "The Arab uprisings in theoretical perspective – an introduction", Mediterranean Politics **17**(2): 125-138.

Parker, D. (2003). "Performance, risk and strategy in privatised, regulated industries: The UK's experience", International Journal of Public Sector Management **16**(1): 75-100.

Parker, L. D. and J. Guthrie (1993). "The Australian Public Sector in the 1990s: New Accountability Regimes in Motion", Journal of International Accounting, Auditing and Taxation **2**(1): 59-81.

Patton, M. Q. (1990). Qualitative Evaluation and Research Methods, 2nd ed. Newbury Park, CA, Sage.

Paul, S. (1983). Training for public administration and management in developing countries: A review. World Bank staff working paper, No. 584. Management and Development series No. 11.

Pellow, D. and N. Chazan (1986). Ghana Coping with Uncertainty. Boulder: Colorado, Westview Press.

Peters, G. B. and J. Pierre (2004). Politicization of the civil service in comparative perspective: the quest for control. London, Routledge.

Peters, J. (2012). "Neoliberal convergence in North America and Western Europe: Fiscal austerity, privatisation, and public sector reform", Review of International Political Economy **19**(2): 208-235.

Philip, L. J. (1998). "Combining quantitative and qualitative approaches to social research in human geography-an impossible mixture?" Environment and Planning **30**: 261-276.

Picard, L. A. and M. Garrity (1994). Policy Reform for Sustainable Development in Africa: The Institutional Imperative. Boulder & London, Lynne Reinner.

Pimbert, M. and T. Wakefield (2001). Overview-Deliberative Democracy and Citizen Empowerment. PLA Notes 40 February.

Pitcher, A. M. (2001). Angola from Afro-Stalinism to Petro-Diamond Capitalism (Book Review). The International Journal of African Historical Studies, 34(2): 495-498.

Pitcher, A., Moran, M., & Johnston, M. (2009). Rethinking Patrimonialism and Neopatrimonialism in Africa. African Studies Review, 52(1): 125-156.

Poister, T. H. and G. D. Streib (1999). "Strategic Management in the Public Sector: Concepts, Models, and Processes", Public Productivity & Management Review **22**(3): 308-325.

Polidano, C. (1999). The New Public Management in developing countries Public Policy and Management Working Paper. Manchester: IDPM. **No.13**.

Pollitt, C. (2007). The Essential Public Manager. Maidenhead, Open University Press.

Pollitt, C. and G. Bouckaert (2004). Public Management Reform: A Comparative Analysis. Oxford, Oxford University Press.

Pontusson, J. (2013). "Unionization, Inequality and Redistribution", British Journal of Industrial Relations **51**(4): 797–825.

Power, M. (1994). The Audit Explosion. London, Demos.

Power, M. (1997). The Audit Society. Oxford, Oxford University Press.

Prasad, D. (2006). "Current issues in Private sector participation (PSP) in water services", Development Policy Review 24(6): November 669-692.

Pratt, J. and Plamping, D. et al. (2007). Distinctive Characteristics of Public Sector Organisations and Implications for Leadership. Northern Leadership Academy, Leadership Summit Working Paper, Feb 2007. London, Centre for Innovation in Health Management.

Preston, D. S. (2001). "The Rise of Managerialism", Encyclopaedia of Philosophy of Education November.

Price, M. R. (1984). "Neo-Colonialism and Ghana's Economic Decline: A Critical Assessment", Canadian Journal of African Studies **8**(1): 173-174.

Prior, L. (2004). Doing things with documents. Qualitative Research: Theory, Method and Practice. D. Silverman. London, Sage.

Pritchett, P. and Robinson, D. et al. (1997). After the acquisition: The authoritative guide for integration success. London, England, McGraw Hill.

Promberger, K. and I. Rauskala (2003) "New Public Management: An Introduction from the UK Perspective", Working Paper 6/2003. University of Innsbruck, Austria.

Public Administration Select Committee (2010). Outsiders and Insiders: External Appointments to Senior Civil Service. London: House of Commons.

Punch, M. (1986). The Politics and Ethics of Fieldwork. Newbury Park, CA, Sage.

PURC (2011). A Consumers' Guide to Water and Electricity: Complaints Policy and Procedures. Accra, Public Utilities Regulatory Commission (PURC), Public Relations.

PURC (2013). PURC at a Glance. Accra, Public Utilities Regulatory Commission (PURC), Public Relations.

Raid, S. and Vaara, E. et al. (2012). "The Intertextual production of international relations in mergers and acquisitions", Organisation Studies **33**: 121-148.

Reason, P. (1994). Three Approaches to Participative Inquiry Handbook of qualitative research N. K. Denzin and Y. S. Lincoln. Thousand Oaks, CA, US, Sage Publications.

Reason, P. and J. Rowan (1981). Human Enquiry: A Sourcebook of the New Paradigm Research. Chichester, John Wiley & Sons.

Redding, S. G. and M. Ng (1982). "The role of face in organisational perceptions of Chinese managers", Organisation Studies **2**: 201-219.

Reed, M. S. (2008). "Stakeholder participation for environmental management: A literature review", Biological Conservation **141**(10, October): 2417–2431.

Review Body on Senior Salaries (2010). 32nd Report on Senior Salaries-2010. http://www.ome.uk.com/SSRB-Reports.aspx.

Riege, A. and N. Lindsay (2006). "Knowledge management in the public sector: stakeholder partnerships in the public policy development", Journal of Knowledge Management **10**(3): 24-39.

Rogers, P. and Silva, R. et al. (2002). "Water is an economic good: How to use prices to promote equity, efficiency, and sustainability", Water Policy **4**(1): 1-17.

Rosenau, P. (2000). Public-Private Policy Partnerships. Westwood: MA, Massachusetts Institute of Technology.

Rothchild, R. (1991). Ghana: The Political Economy of Recovery, Lynne Reinner Publishers.

Rothchild, D. (1978). Ethnicity and Purposive De-politicisization: The Public Policies of Two Ghanaian Military Regimes. A paper presented at the 21st Annual meeting of the African Studies Association. Philadelphia (mimeo).

Ruigrok, W. and R. van Tulder (2013). The logic of international restructuring: The management of dependencies in rival industrial complexes. London, Routledge.

Ruscio, K. P. (1996). "Trust, Democracy, and Public Management: A Theoretical Argument", Public Administration Research and Theory **6**: 461-478.

Sadka, E. (2007). "Public-private partnerships - a public economics perspective”, CESifo Economic Studies **53**(3): 466-490.

Sandbrook, R. and R. Oelbaum (1997). "Reforming dysfunctional institutions through democratisation? Reflection on Ghana", Journal of Modern African Studies **35**(4): 603-646.

Sanderson, I. (2001). "Performance management, evaluation and learning in modern local government", Public Administration **79**(2): 297-313.

Santos, B. (2005). Democratising Democracy: Beyond the Liberal Democratic Canon. New York, Verso.

Savas, E. S. (2000). Privatisation and Public-Private Partnerships. New Jersey, Chatham House.

Scharpf, F. W. (1997). Games Real Actors Play. Boulder, CO, Westview Press.

Scheer, K. L. and Kumar, N. et al. (2003). "Reactions to perceived inequity in US and Dutch inter-organisational relationships", Academy of Management Journal **46**: 303-316.

Schick, A. (1998). "Why most developing countries should not try New Zealand's reforms", World Bank Research Observer **13**(1): 123-131.

Schilling-Vacaflor, A. (2014). "Rethinking the link between consultation and conflict: lessons from Bolivia's gas sector", Canadian Journal of Development Studies **35**(4): 503-521.

Schmitt, C. (2014). "The Employment Effects of Privatising Public Utilities in OECD Countries", Public Management Review Volume 16(8): 1164-1183.

Schramm, W. (1997). Notes on case studies of instructural media projects. December. Working paper for the Academy for Educational Development. Washington DC.

Schumpeter, J. A. (1961). The Theory of Economic Development. New York, Oxford University Press.

Schumpeter, J. A. (1976). Capitalism, Socialism and Democracy. New York, Harper Row.

Schwandt, T. A. (1997). Qualitative Inquiry: A Dictionary of Term. Thousand Oaks, California, Sage Publications, Inc.

Schweiger, D. M. and Csiszar, E. et al. (1993). "Implementing international mergers and acquisitions", Human Resource Planning 16: 53-70.

Schweiger, D. M. and Y. Weber (1989). "Strategies for managing human resources during mergers and acquisitions: an empirical investigation", Human Resource Planning **12**(69-86).

Scott, J. (1990). A Matter of Record. Cambridge, Polity Press.

Seale, C. (1999). The Quality of Qualitative Research. London, Sage.

Seale, C. (2000). Using computers to analyse qualitative data. A Practical Handbook. D. Silverman. London, Sage.

Sederberg, C. P. (1971). "The Gold Coast under Colonial Rule: An Expenditure Analysis", African Studies Review **14**(2): 179-204.

Sehested, K. (2002). "How NPM Reforms Challenge The Roles of Professionals”, International Journal of Public Administration **25**(12): 1513-1537.

Seldon, A. (2005). “Whose Obedient Servant?” The State is Rolling Back: The Collected Works of Arthur Seldon. Vol 2 A. Seldon. Indianapolis, Liberty Fund.

Self, P. (1993). “Government by the Market?” The Politics of Public Choice. London, MacMillan.

Seth, A. and Song, K. et al. (2000). "Synergy, managerialism or hubris? An empirical examination of motives for foreign acquisition of US firms", Journal of International Business Studies **31**(3): 387-486.

Shakespeare, P., D. Atkinson, et al. (1993). Reflecting on Research Practice. Buckingham, Open University Press.

Shank, G. (2007). How to tap the full potential of qualitative research by applying qualitative methods. Mixed Methodology in psychological research. pp. 7-13. P. Mayring, G. Huber, L., L. Gurtler and M. Kiegelmann. Rotterdam / Taipei, Sense Publishers.

Sharma, C. K. (2007). New public management challenges and constrains. Botswana, University of Botswana.

Silverman, D. (2005). Interpreting Qualitative Data: Methods for Analysing Talks, Text and Interaction. 2nd Edition. London, Sage.

Silverman, D. (2010). Doing Qualitative Research. Third Edition. London, Sage.

Singleton, R. A. and B. C. Straits (1999). Approaches to Social Research. Third Edition. Oxford, Oxford University Press.

Sloman, J. (2008). How to kick-start a faltering economy the Keynes way. BBC. 22 October 2008.

Smith, W. (2009). Latin American Democratic Transformations. Miami, University of Miami.

Social Exclusion Unit (2002). National Strategy for Neighbourhood Renewal. London, SEU.

South Commission Report (1990). The Challenge to the South. Oxford, Oxford University Press.

Sowell, T. (2001). The "Trickle Down" Economics Straw Man. Capitalism Magazine, September 27.

Sowell, T. (2012). 'Trickle Down: Theory and Tax Cuts for the Rich”. Stanford, Hoover Institution Press, No 635, September 20.

Spear, T. (2003). "Neo-traditionalism and the limits of invention in British colonial Africa", Journal of African History **44**: 3-27.

Spiggle, S. (1994). "Analysis and Interpretation of Qualitative Data in Consumer Research", Journal of Consumer Research **21**(3): 491-503.

STAR-Ghana (2011). Political Economy of Ghana and Thematic Strategy Development for Strengthening Transparency, Accountability and Responsiveness (STAR)-Ghana, Accra.

Starr, P. (1987). The Limits of Privatisation. Proceedings of the Academy of Political Science **36**(3): 124-137.

Stewart, J. and K. Walsh (1992). "Change in the Management of public Services”, Public Administration Review **70**(winter): 499-578.

Stratton, A. (2011). David Cameron to end 'state monopoly' in provision of public services The Guardian, Political Correspondent, Monday 21st February.

Strauss, A. and J. Corbin (1990). Basics of Qualitative Research: Grounded Theory Procedures and Techniques. Beverly Hills, CA, Sage.

Su, T. I. and Walker, R. M. et al. (2013). "Reform and Transition in Public Administration Theory and Practice in Greater China", Public Administration **91**(2): 253-260.

Suddaby, R. (2006). "What grounded theory is not", Academy of Management Journal **49**: 633-642.

Sudman, S. and Bradbury, N. M. (1974). Polls and Surveys: Understanding what they tell us. San Francisco, Jossey-Bass.

Sulle, A. (2010). "The application of new public management doctrines in the developing world: An exploratory study of the autonomy and control of executive agencies in Tanzania", Public Administration and Development **30**(5): 345–354.

Szereszewski, R. (1965). Structural Changes in the Economy of Ghana. London, Weidenfeld and Nicolson.

Talbot, C. (2005). Performance Management. The Oxford Handbook of Public Management. E. Ferlie, L. E. Lynn and C. Pollitt. Oxford, Oxford University Press.

Tambunan, T. (2000). The Performance of Small Enterprises during Times of Eonomic Crisis; Evidence from Indonisia. Journal of Small Business Management, 38(4): 93-101.

Tanggaard, L. (2008). "Objections in Interviewing", International Journal of Qualitative Research **7**(3): 16-29.

Tangri, R. (1991). "The politics of state divestiture in Ghana", African Affairs **90**: 523-536.

Tashakkori, A. and C. Teddlie (2003). Handbook of mixed methods in social and behavioural research. Thousand Oaks, CA, Sage.

Tashakkori, A. and C. Teddlie (2011). Mixed Methods Research: Contemporary Issues in an Emerging Field. The Sage Handbook of Qualitative Research. N. K. Denzin and Y. S. Lincoln. Thousand Oaks, CA, Sage.

Temu, A. U., & Due, J. M. (2000). The Business Environment in Tanzania afetr Socialism: Challenges of Reforming Banks, Parastatals, Taxation and the Civil Service. Journal of Modern African Studies, 38(4), 683-712.

Tenhiälä, A., T. L. Giluk, et al. (2014). "The Research-Practice Gap in Human Resource Management (HRM): A Cross-Cultural Study", Human Resource Management. 12 Nov, DOI: 10.1002/hrm.21656.

Tepe, M., K. Gottschall, et al. (2010). "A Structural Fits Between States and Markets? Public Administration Regulation and Market Economy models in the OECD", Socio-Economic Review **8**(4): 653-684.

Terry, L. D. (1993). "Why We Should Abandon the Misconceived Quest to Reconcile Public Entrepreneurship with Democracy", Public Administration Review **53**: 393-395.

The Ghanaian Times (2002). Answers to your questions on public-private partnership (PPP) or PSP in Urban Water Supply. Accra, Ghana. Wednesday, March 20, 2002.

The Independent (2002). Setting the records straight: Facts about valid issues being raised on the PPP in urban water supply. Accra, Ghana. Thursday, March 28, 2002.

Thomas, G. (2011). How to do your Case Study: A Guide for Students and Researchers. Thousand Oaks, CA, Sage.

Thomas, G. F. and Zolin, R. et al. (2009). "The Central Role of Communication in Developing Trust and Its Effect On Employee Involvement”, Journal of Business Communication **46**(3): 287-310, March.

Thompson, N. (1995). Theory and Practice in Health and Social Care. Melton Keynes, Open University Press.

Thompson, N. (2008). "Hollowing Out the State: Public Choice Theory and the Critique of Keynesian Social Democracy ", Contemporary British History **22** (3): 355-382.

Thornqvisk, C. (2007). "Changing Industrial Relations in the Swedish Public Sector", International Journal of Public Sector Management **20**(1): 16-33.

Thurmond, V. A. (2001). The Point of Triangulation. Journal of Nursing Scholarship, 33(3), 253-258.

Tomlinson, F. (2005). "Idealistic and Pragmatic Versions of the Discourse of Partnership", Organisation Studies, **26**(8): 1169-1188.

Tsamenyi, M. and J. J. Mills (2003). "Perceived Environmental Uncertainty, Organisational Culture, Budget Participation and Managerial Performance in Ghana", Journal of Transnational Management Development **8**(1-2): 17-52.

Tsamenyi, M. and Onumah, J. et al. (2008). "Post-privatisation performance and organisational changes: Case studies from Ghana. Critical Perspectives on Accounting”, YCPAC – 1439, January.

Tullock, G. (1965). The Politics of Bureaucracy. Washington, Public Affairs Press.

Tullock, G. (1976). The Vote Motive. London, Institute of Economic Affairs.

Tullock, G., A. Seldon, et al. (2000). Government: Whose Obedient Servant? London, Institute of Economic Affairs.

Twum-Danso, A. (2009). "Reciprocity, respect and responsibility: The 3Rs underlying parent-child relationships in Ghana and the implications for children's rights", International Journal of Children's Rights **17**: 415-432.

Twum-Danso, A. (2009b). "Situating participatory methodologies in context: the impact of culture on adult-child interactions in research and other projects", Children's Geographies **7**(4): 379-389.

UNDP (2011). Arab Development Challenges Report: Towards the Developmental State in the Arab Region. Cairo: United Nations Development Programme, Regional Centre for Arab States.

UNDP (1999). Decentralisation: A Sampling of Definitions. Joint UNDP-Government of Germany evaluation of the UNDP role in decentralisation and local governance. UNDP.

UNDP. (1997). Ghana Human Development Report. Accra: UNDP.

Undurraga, T. (2015). "Neoliberalism in Argentina and Chile: common antecedents, divergent paths", Revista de Sociologia e Política **23**(55).

UNESC (2002). “Sustainable issues arising in the implementation of the international covenant on economic, social and cultural rights”, Draft, General Comment No. 15, Committee on Economic, Cultural and Social Rights, 11-29, November. Geneva.

UN-Habitat (2003). Water and Sanitation in the World cities: Local Actions for Global Goals. Earthscan, London.

UNHCR (2007). "Office of the UN High Commissioner for Human Rights on the Right to Water”, September 2007.

US State Department (2007). Background note Revised October 2007. US, Bureau of African Affairs.

Vaara, E. and P. Monin (2010). "A recursive perspective and discursive legitimation and organisational action in mergers and acquisitions", Organisational Science **21**: 3-22.

Valentine, G. (1999). "Doing household research: interviewing couples together and apart", Area **31**(1): 67-74.

Van Cott, D. (2008). Radical Democracy in the Andes. Cambridge, Cambridge University Press.

Van den Berg, A. (2004). Public Choice, the Public Sector and the Market: the Sound of One Hand Clapping? Contesting public sector reforms: critical perspectives, international debates. P. Dibben, G. Wood and I. Roper. Basingstoke, Palgrave Macmillan.

Van der Geest, S. (1998). "Yebisa Wo Fia: Growing old and building a house in the Akan culture of Ghana", Journal of Cross-Cultural Gerontology **13**(4): 333-359.

Van der Geest, S. (2002). "Respect and reciprocity: Care of elderly people in rural Ghana", Journal of Cross-Cultural Gerontology **17(1)**: 3-31.

Van Ham, H. and J. Koppenjan (2001). "Building Public-Private Partnership", Public Management Review **3**(4): 593-616.

Veljanovski, C. (1989). Privatisation and Competition: A Market Prospectus. London, Institute of Economic Affairs.

Verbeeten, F. H. M. and R. F. Speklé (2015). "Management Control, Results-Oriented Culture and Public Sector Performance: Empirical Evidence on New Public Management", Organisation Studies **36**(7): 953-978.

Vermeulen, F. and H. Barkema (2001). "Learning through acquisitions", Academy of Management Journal 44: 457-476.

Vickers, J. and G. Yarrow (1995). Privatisation: An Economic Analysis. London, MIT Press.

Vickers, J. and G. Yarrow (1988). Privatisation: An Economic Analysis. Cambridge, Mass. and London, MIT Press.

Vidal, J. (2015). Water privatisation: a worldwide failure? The Guardian. London, Guardian. Friday 30.

Vining, A. and D. Weimer (1990). "Government Supply and Government Production Failures. A Framework Based on Contestability", Journal of Public Policy **10**(1): 1-22.

Vining, A. R. and D. L. Weimer (2005). Economic Perspectives on Public Organisations. The Oxford Handbook of Public Management E. Ferlie, L. E. Lynn and C. Pollitt. Oxford, Oxford University Press.

Vis, B. and Van Kersbergen, K. et al. (2011). "To What Extent Did the Financial Crisis Intensify the Pressure to Reform the Welfare State?" Social Policy & Administration 45(4): 338–353, August 2011.

Vogt, P. W. (2008). "Quantitative versus qualitative is a distraction: Variations on a theme by Brewer and Hunter 2006", Methodological Innovations Online 3: 1-10.

Vrangbæk, K., O. H. Petersen, et al. (2015). “Is Contracting Out Good or Bad for Employees? A Review of International Experience", Review of Public Personnel Administration **35**(1): 3-23.

Vyas-Doorgapersad, S. (2011). "Paradigm shift from New Public Administration to New Public Management: theory and practice in Africa", The Journal for Transdisciplinary Research in Southern Africa **7**(2): 235-250.

Wampler, B. (2007). Participatory Budgeting in Brazil: Contestation, Cooperation and Accountability. University Park, Pennsylvania State University Press.

Wampler, B. and S. L. McNulty (2011). Does Participatory Governance Matter? Exploring the Nature and Impact of Participatory Reforms. Woodrow Wilson International Centre for Scholars, Washington.

Warnera, M. E. (2013). "Private finance for public goods: social impact bonds", Journal of Economic Policy Reform **16**(4): 303-319.

Waterman, P. (2001). Globalization, Social Movements, and the New Internationalism. London, Bloomsbury Academic.

Waugh, W. L. and G. D. Streib (2006). "Collaboration and Leadership for Effective Emergency Management", Public Administration Review **66**(1): 131-140.

Weber, M. (1949). The Methodology of the Social Sciences. New York, Free Press.

Weber, M. (1978). Economy and Society: An Outline of Interpretivist Sociology. Vol 2. Berkeley: CA, University of California Press.

Weber, Y. and Y. Fried (2011). "The dynamic of employees' reactions during post-merger integration process", Human Resource Management **50**: 777-781.

Weber, Y. and S. Y. Tarba (2012). "Mergers and acquisitions process: The use of corporate culture analysis", Cross-Cultural Management; an International Journal **19**: 288-303.

Weber, Y., S. Y. Tarba, et al. (2014). A comprehensive guide to mergers and acquisitions: managing the critical success factors across every stage of the M&A process. London, Pearson & Financial Times Press.

Weber, Y. and Teerikangas, S. et al. (2011). "Cross-cultural management in mergers and acquisitions", European Journal of International Management **5**: 319-326.

Webster, E., G. Wood, et al. (2006a). "Residual Unionism and Renewal: Organised Labour in Mozambique", Journal of Industrial Relations **48**(2): 257-278.

Webster, E., G. Wood, et al. (2006b). "International homogenization or the persistence of national practices? The remaking of industrial relations in Mozambique", Relations Industrial Relations **61**(2): 247-270.

Webster, E., R. Croucher, et al. (2006c). "Collective and individual voice: convergence in Europe?" The International Journal of Human Resource Management **18**(7): 1246-1262.

Weis, P. (1979). Nationality and Statelessness in International Law. The Netherlands, Sijthoff and Noordhoff.

Weissman, R. (2003). "The Thirsty for Justice: Ghanaian Water Privatisation Conflict Rises to a Boil", Economic Justice News **6**(2).

Wessels, B. (2007). Putting the researcher in the field: the performances and positions of the ethnographer in innovative networks of communication. Inside the digital revolution: policing and changing communication with the public. B. Wessels. Aldershot, Ashgate.

Whitfield, D. (2006). A typology of privatisation and marketisation, European Services Strategy Unit, 2006 - European-services-strategy.org.uk.

Whitfield, L. (2006). "The Politics of Urban Water Reform in Ghana", Review of African Political Economy **109**: 425-448.

Whitley, R. (1999). Divergent Capitalisms: The Social Structuring and Change of Business Sytems. Oxford: Oxford University Press.

WHO (1996). World Health Organisation. Water and Sanitation. Fact Sheet No. 112, November 1996

Wilkinson, A., T. Dundon, et al. (2007). "Information but not consultation: exploring employee involvement in SMEs", The International Journal of Human Resource Management **18**(7): 1279-1297.

Wilkinson, A., K. Townsend, et al. (2013). "Reassessing employee involvement and participation: Atrophy, reinvigoration and patchwork in Australian workplaces", Journal of Industrial Relations **55**(4): 583-600.

Williams, G. (1976). "There is no Theory of Petty-Bourgeois Politics in Africa", Review of African Political Economy **6**(May-August).

WMO (1992). Development Issues for the 21st Century. International Conference on Water and the Environment, the Dublin Principles: Statement and Report of the Conference. Geneva, World Meteorological Organisation.

Wolf, C. (1979). "A Theory of Nonmarket Failure: Framework for Implementation Analysis", Journal of Law and Economics **22**(1): 107-139.

Wolfram, L. (2007). "The Promise and Perils of water reforms: Perspectives from Northern Ghana”, Afrika Spectrum **42**(3): 419-437.

Wood, G. and A. J. Glaister (2008). "Union power and new managerial strategies: The case of South Africa", Employee Relations **30**(4): 436-451.

Wood, G., P. Dibben, et al. (2011). "HRM in Mozambique: Homogenization, path dependence or segmented business system?" Journal of World Business 46(1): 31-41.

Wood, G., & Brewster, C. (2007). Introduction: Comprehending Industrial Relations in Africa. In G. Wood, & C. Brewster, Industrial Relations in Africa. London: Palgrave Macmillan.

Wood, G., & Frynas, J. G. (2006). The institutional basis of economic failure: anatomy of the segmented business system. Socio-Economic Review, 4: 239–27.

Wood, G. (2004). Ethics and the New Public Management: Challenges and Alternatives. Contesting public sector reforms: critical perspectives, international debates. P. Dibben, G. Wood and I. Roper. Basingstoke, Palgrave Macmillan.

Woode, S. N. (1997). Values Standards and Practices in Ghanaian Organisational Life. Accra, Asempa Publishers.

World Bank (1997). The World Development Report: The State in a Changing World. New York, Oxford University Press.

World Bank (1984). Ghana: Policies and Programme for Adjustment. Washington DC, World Bank.

World Bank (1989). Sub-Saharan Africa: From Crisis to Sustainable Growth. Washington DC, World Bank.

World Bank (1995). African Development Indicators 1994-1995. Washington, DC. Water Sector Restructuring Secretariat (2005). Accra: Ghana.

World Bank (2004). Management Contract for Urban Water between GWCL and X; Draft 1. December. Washington, DC.

World Bank (2005). Private Sector Participation in Urban Water Supply in Sub-Saharan Africa, Final Report November 2005. London.

World Bank (2008). Brazil: Toward a More Inclusive and Participatory Budget in Porto Alegre. Washington DC, World Bank, Report No. 40144-BR.

World Bank (2014). What is a Public-Private Partnership (PPP)? Washington, PPPIRC-World Bank Group (www.worldbank.org/pppirc).

World Water Council (2003). Analysis of the 3rd World Water Forum. March 16-23. Kyoto, Shiga and Osaka-Japan.

WSRS (2005). Water Sector Restructuring Secretariat, Accra: Ghana.

WSRS (2002). Water Sector Restructuring in Ghana. The decision, the framework, the issues. Unpublished document, Accra, MWH.

Xing, Y., Y. Liu, et al. (2014). "Intercultural influences on managing African employees of Chinese firms in Africa: Chinese managers’ HRM practices", International Business Review. http://dx.doi.org/10.1016/j.ibusrev.2014.05.003.

Yarrow, G. (1989). Does Ownership Matter? Privatisation and Competition: A Market Prospectus. C. Veljanovski. London Institute of Economic Affairs.

Yeatman, A. (1987). "The Concept of Public Management and the Australian State in the 1980s", Australian Journal of Public Administration **36**(4): 339-355.

Yeboah, E. and F. Obeng-Odoom (2010). "We are not the only ones to blame: District Assemblies' perspectives on the state of planning in Ghana", Commonwealth Journal of Local Governance **7**: 78-98.

Yergin, D. and J. Stanislaw (1998). The Commanding Heights. New York, Simon and Schuster.

Yin, R. K. (1981a). "The case study as a serious research strategy", Knowledge: Creation, Diffusion, and Utilisation 3: 97-114.

Yin, R. K. (1984). The case study Research: Design and Methods. Beverly Hills, CA, Sage.

Yin, R. K. (2003). Case Study Research: Design and Methods. Third Edition. London, Sage.

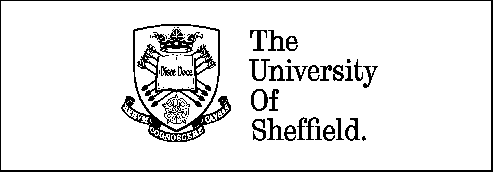
Yin, R. K. (2009). Case Study Research: Design and Methods. Fourth Edition. California, Sage Publications.

Zhang, X. (2005). "Critical success factors for public–private partnerships in infrastructure development”, Journal of Construction Engineering and Management 131(1): 3-14.

Zhang, Z. and M. Jia (2010). "Procedural fairness and cooperation in public-private partnerships in China", Journal of Managerial Psychology **25**(5): 513-538.

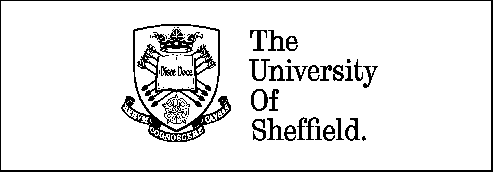
Zuberi, D. (2011). "Contracting out hospital support jobs: The effects of poverty wages, excessive workload, and job insecurity on work and family life", American Behavioral Scientist **55**(7): 920-940.

**Appendix A**

****

Participants Consent Form

|  |
| --- |
| Title of Research Project: Evaluating the impact of New Public Management reforms in Ghana. The privatisation of water.  Name of Researcher: Philip Adu Boahen  I the undersigned, confirm that (please tick box as appropriate):   1. I have read and understood the information sheet explaining the above research   project and I have had the opportunity to ask questions about the project.   1. I understand that my participation is voluntary and that I am free to withdraw at   any time without giving reasons. In addition, should I wish not to answer any  particular question or questions, I am free to decline.   1. I understand that my responses will be kept strictly confidential. I give permission   to the researcher to have access to my anonymised responses. I also understand  that my name will not be linked with the research materials, and I will not be  identified or identifiable in the report or any publication that result from the research.     1. I agree to take part in the above research project.   \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Name of Participant Date Signature  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Researcher Date Signature |



**Appendix B**

**Participants Information Sheet- observation**

Dear \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

I am a Ph.D. student from the Management School, Sheffield University in the UK. I would like to invite you to participate in face-to-face interviews exploring various issues of my Ph.D. research. My research is an evaluation of the impact of New Public Management reforms in Ghana, using the WaterOrg as an in-depth case study. NPM implies the integration of private sector management values and practices into public sector organisations to improve their performance. Private sector management values include those such as efficiency, while practices focus on performance measurement, contracting out, and various forms of privatisation, including public-private partnerships. NPM also implies competition both within and outside public services providers. In Ghana, NPM reforms have been carried out across a wide range of public sector organisations including privatisation of the WaterOrg.

In order to understand the issues underpinning effective public sector management in Ghana generally that led to the introduction of NPM, as well as issues surrounding privatisation of the WaterOrg (public-private partnership) specifically, it is necessary to collect data from the various stakeholders. I plan to observe activities within your organisation, in order to better understand the ways in which different departments work together. Information generated from the observation will be used for academic purposes only (for my Ph.D. thesis, and possibly as a teaching aid and for a conference presentation) and will be kept strictly confidential. Names and identities of participants will not be identified in any reports or publications. Information collected will be kept securely at Sheffield University in fulfilment of the University’s ethical guidelines. I will be most grateful if you could participate in this study.

This study is supervised by Professor Pauline Dibben and Dr. Emanuel Gomes and has full ethical approval from Sheffield University Management School. If you decide to take part you will be asked to sign a consent form and you can also withdraw your participation at any time without giving a reason.

If you require any further information about participating in this study please do not hesitate to contact me.

Thank you very much for your time, your help is greatly appreciated.

Best regards,

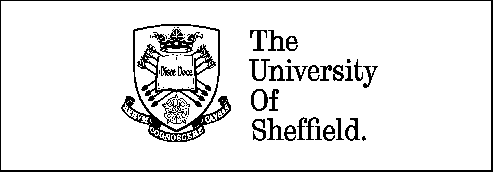
Philip Adu Boahen

Doctoral Researcher

Management Doctoral Centre  
171 Northumberland Road

Sheffield

S10 1DF, UK. Tel: 0114 222 3496; Email: [ecp12pab@sheffield.ac.uk](mailto:ecp12pab@sheffield.ac.uk)



**Appendix C**

**Participants Information Sheet**

Dear \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

I am a Ph.D. student from the Management School, Sheffield University in the UK. I would like to invite you to participate in face-to-face interviews exploring various issues of my Ph.D. research. My research is an evaluation of the impact of New Public Management reforms in Ghana, using the WaterOrg as an in-depth case study. NPM implies the integration of private sector management values and practices into public sector organisations to improve their performance. Private sector management values include those such as efficiency, while practices focus on performance measurement, contracting out, and various forms of privatisation, including public-private partnerships. NPM also implies competition both within and outside public services providers. In Ghana, NPM reforms have been carried out across a wide range of public sector organisations including privatisation of the WaterOrg.

In order to understand the issues underpinning effective public sector management in Ghana generally that led to the introduction of NPM, as well as issues surrounding privatisation of the WaterOrg (public-private partnership) specifically, it is necessary to collect data (face-to-face interviews) from the various stakeholders. You have been purposely selected based upon your experience and knowledge on the research topic to contribute to an understanding of the issues underpinning water privatisation in Ghana. The interview process should take no longer than 60 minutes to complete. Information generated from the interviews will be used for academic purposes only (for my Ph.D. thesis, and possibly as a teaching aid and for a conference presentation) and will be kept strictly confidential. Names and identities of participants will not be identified in any reports or publications. Information that you provide will be kept securely at Sheffield University in fulfilment of the University’s ethical guidelines. I understand the constraints on your time and will be most grateful if you could participate in this study.

This study is supervised by Professor Pauline Dibben and Dr. Emanuel Gomes and has full ethical approval from the Management School, Sheffield University. If you decide to take part you will be asked to sign a consent form and you can also withdraw your participation at any time without giving a reason. If you are willing to participate in this study please email me at ([ecp12pab@sheffield.ac.uk](mailto:ecp12pab@sheffield.ac.uk)) to arrange a suitable time to meet.

If you require any further information about participating in this study please do not hesitate to contact me.

Thank you very much for your time, your help is greatly appreciated.

Best regards,

Philip Adu Boahen

Doctoral Researcher

Management Doctoral Centre  
171 Northumberland Road

Sheffield 10 1DF, UK. Tel: 0114 222 3496

## **Appendix D**

**Interview Questions (Modified Across Various Participant Groups)**

1. **Background**

Could you please explain your main work responsibilities?

How long have you been working in the public sector?

What is your current position in this department?

Which other position(s) have you held in the public sector or elsewhere?

1. **Before privatisation**

How would you describe the overall performance of the WaterOrg before privatisation?

To what extent was there overall efficiency (costs and benefits?)

To what extent was it effective in delivering a quality product?

To what extent did it manage staff well?

Generally speaking were the public satisfied or dissatisfied with the performance of the WaterOrg before privatisation?

* If yes, in what ways were members of the public satisfied?
* If not, what were the main concerns that you heard or witnessed in relation to the management of the water company?
* How did you learn about these concerns?

1. **After privatisation**

Were you involved in the privatisation process?

* If so, how would you describe your involvement?

In your opinion, what is your overall assessment of the impact of water privatisation (public-private partnership) in Ghana?

What have been the main benefits of privatisation of the WaterOrg?

What have been the main problems of privatisation of the WaterOrg?

Which organisations (private or public) have benefitted most from privatisation?

To what extent has the partnership between the public and private sector been effective?

How effectively do the partners work together?

To what extent do the partners trust each other?

Did you notice any changes after privatisation in relation to:

* 1. Cost effectiveness of delivery
  2. Overall performance in terms of standard of water, service delivery, revenue, coverage/production, tariffs etc.
  3. Customer service and complaints?

1. **Impact on members of the public**

What were the main feelings of Ghanaian members of the public about the privatisation process?

How were Ghanaian members of the public consulted on the privatisation process?

Did consultation of Ghanaian public affect the privatisation process?

To what extent did industrial users benefit from privatisation?

To what extent did domestic users benefit from privatisation?

To what extent users in some regions benefit more than others?

1. **Impacts on employees**

Were employees consulted on the privatisation process?

Did consultation of employees affect the privatisation process?

Did you notice any changes after privatisation in relation to:

1. How employees were managed
2. Job security
3. Pay and reward
4. Working conditions
5. The extent to which public sector employees were under pressure
6. The skills of employees
7. The monitoring of public sector employee work practices
8. **Current work practices in the WaterOrg**

To what extent are western work practices now used in the WaterOrg?

Has the use of western work practices harmed or improved WaterOrg performance?

How would you describe the Ghanaian work culture?

Does the Ghanaian culture lead to improved or worse performance in the WaterOrg?

* Extended family system
* Superstition
* Respect for those in authority

What happens if employees do not perform well?

1. **Comparing the WaterOrg to other organisations**

Has the privatisation of the WaterOrg been more or less successful than the privatisation of other parts of the public sector?

What do you think could be done to further improve the performance of public sector organisations in Ghana?

**Appendix E: One-Sample Interview**

**Question**: How would you describe the overall performance of the WaterOrg before privatisation?

**Response**: Generally before privatisation there were a lot of concerns about the efficiency of the delivery of urban water. Customers were not happy because there were perennial water shortages in urban areas. But all studies conducted by the World Bank and the government pointed to a lack of investment in the sector as the major problem confronting urban water with workers inefficiency being a secondary issue. So for us privatisation was like prescribing a wrong solution to the problem for which we were all aware of. We even brought international observers into the country culminating in unbearable pressure on the government. It was the mounting pressure from groups such as ours that is why the lease contract was changed to a management contract to ease the tension.

**Question**: Were you involved in the privatisation process?

**Response:** We were consulted and we drew government attention to possible alternatives that should be explored further including community / Non-Governmental Organisation (NGOs) and Ghanaian ownership options. We believe that privatisation would not address the water supply problems in Ghana. We have been involved in reviewing studies that were done prior to the lease contract arrangement. Until the management contract period and we actually showed our disapproval of private sector involvement in what for us was purely a public sector responsibility. As the heat piled on the government we found that government made a U-turn and introduced a management contract to diffuse the growing tension. We were not satisfied with that too because we didn’t see how management could resolve the urban water challenges. If the problem was lack of investment then you need an investment solution, not a management solution. Even though I could see that there management inefficiencies at the Ghana Water at the time but studies have shown that the first and foremost problem was lack of investment. So in our view, it was important to look at the investment problems first then you can look at the management side such as staff rationalisation issues.

**Question**: In your opinion, what is your overall assessment of the impact of water privatisation (public-private partnership) in Ghana?

**Response**: There were no benefits because we were not even prepared properly for the management contract. Performance targets were set without thinking how they were going to be monitored and evaluated to the extent that in the end there were even arguments between the service provider and the government (WaterOrg) particularly with respect to non-revenue water (NRW). But the government own assessment indicates that they failed. It didn’t provide any solutions to lack of service to urban and peri-urban areas, there was no real expansion, and it didn’t deliver much. They were not able to reduce NRW and the waste in the system. They were not able to bring in investors to overhaul the existing infrastructure so the management contract in my view took us to where we started.

**Question:** Which organisations (private or public) have benefitted most from privatisation?

**Response:** I don’t think anybody benefited from the programme. I think that was the issue the sector ministry took into consideration before deciding not to renew the contract. The management contract was subject to renewal but due to non-performance, the government decided not to renew.

**Question:** To what extent did the partners trust each other?

**Response:** I think there was so much mistrust; it created a two-tier type of remuneration arrangement in the sector. You have those who were working directly with PrivateCo getting better remuneration than those working for the WaterOrg so there was a rivalry between the two of them.

**Question:** What were the main feelings of Ghanaian members of the public about the privatisation process?

**Response**: People felt tariff would increase at the same time they wanted some improvement in the system. Sometimes water doesn’t flow for weeks and when people report of burst it takes too long to repair.

**Question**: Did you notice any changes after privatisation?

**Response**: Immediately after the management contract a pilot project was undertaken in Tema Community 2 and 5 involving the installation of pre-paid meters as part of revenue mobilisation drive. The company involved was Aqua met. They collected revenue for PrivateCo but it didn’t work very well. In fact, we fought about it because even in the UK they kicked against it. One thing that was remarkable for me was that the pre-paid meters were a failure, at the same time it led to job losses at the WaterOrg.

There were tariff increases particularly after two, three years after the project tariffs began to increase without due notice to the consumers.

**Question**: How were Ghanaian members of the public consulted on the privatisation process?

**Response**: In actual fact there was no public consultation but during the implementation of the programme we witnessed water shortages in most parts of Accra, Kumasi, Cape Coast and others. Those were the years the term Kuffour gallon came into existence because many households had to find those cans or containers to store water in. Sometimes if they don’t have water they had to walk miles carrying these jerry cans.

**Question**: To what extent did domestic users benefit from privatisation?

**Response**: There wasn’t any specific benefit to domestic or commercial/industrial consumers.

**Question:** Were employees consulted on the privatisation process?

**Response**: We work closely with the union and certain elements of the workforce and were updated a lot of times. There were consultations ahead of the signing of the contract but along the line, there were problems including labour issues which got us involved. First, was the difference in remuneration of the same employees working under different set-ups of management, WaterOrg, and PrivateCo. Those seconded staff who ended up in PrivateCo payroll seemed to be better-taken care off in remuneration, the condition of work and on everything. There were also problems about middle-level management in major decision making in the company.

**Question:** Did you notice any changes in working conditions after privatisation in relation?

**Response:** There were job losses but people were given the option to take up voluntary redundancies.

**Question:** To what extent are western work practices now used in the WaterOrg?

**Response**: Those who say public sector managers don’t deliver lose sight of the fact that Western corporate bodies such as PrivateCo are incentivised. If you are to bring western managers to work in the context of Ghanaian managers they would even perform worse than their Ghanaian counterparts. The Ghanaian manager often did not have tools to work with, incentives, motivation and allowances that are tied to performance. It is only when we give the same incentives that were given to PrivateCo to Ghanaian managers to work with that we can compare who can perform better. You cannot pay one pittance and another higher and then compare who can deliver. It is an unfair comparison. The two should be set on equal footing for effective comparison to be made.

**Question:** How would you describe the Ghanaian work culture?

**Response:** Often time those assign jobs to Ghanaian managers failed to provide the required tools for the job. They don’t create the enabling environment for the Ghanaian managers to succeed. The missing link is the lack of incentives that are tied to performance.

**Question:** Does the Ghanaian culture lead to improved or worse performance in the WaterOrg?

* Extended family system
* Superstition
* Respect for those in authority

**Response:** Cultural practices I will say create certain dependencies. Because often we do not have any social safety net to cater for those who are likely to fall victim to public policy the cultural practices such as the extended family system becomes the safety net. People do part-time and consultancy to get extra income to provide for the extended family. Those who work relate to financial decision making in providing critical services often open themselves for rent-seeking practices demanding bribes in exchange for rendering lawful, legitimate services that they have to render. That is the way they generate extra income to meet the growing pressure. The culture of dependency is endemic in Ghanaian society and it’s undermining of accountability, prudence, and productivity in workplaces.

**Question**: What happens if employees do not perform well?

**Response:** Naturally the person should be sanctioned but again because of pressures in the system you can have the chief of the person’s family coming to intervene on behalf of the person. It happens even in politics. Political appointments in Ghana are influenced a lot by traditional authorities. When you have the chief and the entourage visiting the president to lobby for a particular person to be put at the post. When the government or the employer concedes and gives the position to that person, that person who has now been appointed becomes the beholding of the chief through whose lobby he became a minister or a manager in the first place. So in most cases, due process will not be followed if any of the persons who had played a role in facilitating the employment is involved.

**Question:** Has the privatisation of the WaterOrg been more or less successful than the privatisation of other parts of the public sector?

**Response:** Privatisation comes in various forms. When you look at privatisation of Ghana Commercial Bank, it has been one of the successful privatisation ever undertaken by the government. This is because banking services though; important is not like water, it is not very critical to our lives so the kinds of emotions that people attach to water will be different to the banks. Even that we at ISODEC contested privatisation of Ghana Commercial Bank and opted for selling of government shares not to foreigners but to Ghanaians. The Ghanaians should be part owners so you then naturally get the social license and the support of your people to be successful as a bank. We are happy that on this occasion the government listens. When Ghana Commercial Bank share was floated in the stock exchange they got more money than anticipated.

**Question:** What do you think could be done to further improve the performance of public sector organisations in Ghana?

**Response:** We need to be able to evaluate the job contents for managers in public institutions and reward people according to the job contents. I like the idea of a performance contract because it ties people to certain deliverables and helps in evaluating their success or otherwise and therefore to retain or change them. That hasn’t been the culture of this country. I know people who were managers and directors of public institutions and held on for life without and evaluation of their performance until they went on retirement. I think that culture should change. People should be retained as long as they deliver but there should be a framework for assessing performance.

Appendix F

**A table showing list of interviewees and their respective roles**

|  |  |
| --- | --- |
| **Coded Name** | **Job Role** |
| NGO1, Interviewee1 | Campaign Coordinator |
| NGO2, Interviewee1 | Executive Secretary |
| PrivateCo1, SeniorManager1 | Senior Manager |
| WaterOrg1, Director1 | Management Executive |
| WaterOrg1, Director2 | Management Executive |
| WaterOrg1, Director3 | Management Executive |
| WaterOrg1, Director4 | Management Executive |
| WaterOrg1, HR1 | Management Executive |
| WaterOrg1, Director5 | Management Executive |
| WaterOrg1, Director6 | Management Executive |
| WaterOrg1, SeniorManager1 | Senior Manager |
| WaterOrg1, SeniorManager2 | Senior Manager |
| WaterOrg1, SeniorManager3 | Senior Manager |
| WaterOrg1, SeniorManager4 | Regional Manager |
| WaterOrg1, SeniorManager5 | Regional Manager |
| WaterOrg1, SeniorManager6 | Regional Manager |
| Union1, Shop Steward1 | Employees Union Representative |
| WaterOrg1, Manager1 | District Manager |
| WaterOrg1, Manager2 | District Manager |
| WaterOrg1, Manager3 | District Manager |
| WaterOrg1, Manager4 | District Manager |
| WaterOrg1, Manager5 | District Manager |
| WaterOrg1, Manager6 | District Manager |
| WaterOrg1, Manager7 | District Manager |
| WaterOrg1, Manager8 | District Manager |
| WaterOrg1, Employee1 | Meter Reader |
| WaterOrg1, Employee2 | Meter Reader |
| WaterOrg1, Employee3 | Meter Reader |
| WaterOrg1, Employee4 | Meter Reader |
| WaterOrg1, Employee5 | Meter Reader |
| WaterOrg1, Employee6 | Meter Reader |
| WaterOrg1, Employee7 | Meter Reader |
| WaterOrg1, Employee8 | Meter Reader |
| Regulator, Director1 | Director |
| Govt1, Director1 | Deputy Executive Director |
| Govt2, Director1 | Principal Consultant |
| Govt1, Director2 | Executive Director |
| Govt3, Director1 | Head (Finance & Admin) |
| Domestic Consumer1 | Procurement Officer |
| Domestic Consumer2 | Market Trader |
| Domestic Consumer3 | Customer Care Officer |
| Domestic Consumer4 | Seller (Stationaries) |
| Domestic Consumer5 | Retired Midwife |
| Domestic Consumer6 | Banker |
| Domestic Consumer7 | Shop Owner |
| Domestic Consumer8 | Quantity Surveyor |
| Domestic Consumer9 | Distributor |
| Domestic Consumer10 | Senior Account Officer |
| Commercial Consumer1 | Water Seller |
| Commercial Consumer2 | Water seller & Car Wash |
| Commercial Consumer3 | Hotel and Restaurant Owner |
| Govt4, Director 1 | Assistant Registrar |
| NPO1, Senior Manager 1 | Water & Sanitation Specialist |
| Union1, CEO1 | Executive Secretary |

Source: Author’s Fieldwork, 2014